

Ichiyoshi Securities Co., Ltd.
Notice of 83rd Annual Meeting of Shareholders

[English translation for reference purposes only]

May 29, 2025

Notice is hereby given to the shareholders of Ichiyoshi Securities Co., Ltd. (“Ichiyoshi” or the “Company”) that the 83rd annual meeting of shareholders of Ichiyoshi will be held at a place and date written below. Each of attending shareholders is requested to bring with him/her a voting card attached hereto (omitted in this English version).

In the event that you cannot attend the said meeting in person, please read “Referential Materials for Shareholders’ Meeting” (described hereinafter) carefully and send the voting card to be received by the Company by 5:00 p.m. on June 20, 2025 (Friday), or exercise your voting rights via Internet through the Company’s designated website for exercising voting rights (<https://evote.tr.mufg.jp/>) (the “Designated Voting Website”) by the same date and time. **(If you are a non-resident of Japan, however, you may exercise your voting rights by properly instructing your standing proxy in Japan.)**

- 1. Date and time:** June 21, 2025, Saturday, from 10:00 a.m.
(Doors open at 9:00 a.m.)
- 2. Place:** At 8th Floor Hall, Tokyo Shoken Kaikan
1-5-8, Nihonbashi Kayabacho, Chuo-ku, Tokyo, Japan

3. Agenda at the Meeting:

Reports:

- (1) Reports on business result and contents of consolidated financial statements (for the fiscal year from April 1, 2024 to March 31, 2025), and Certified Public Accountants’ and Audit Committee’s reports on their respective audits of consolidated financial statements.
- (2) Reports on contents of non-consolidated financial statements of the Company (for the fiscal year from April 1, 2024 to March 31, 2025).

Resolutions proposed for approval and adoption:

1st resolution: Appointment of 7 directors.

2nd resolution: Authorization of the Board of Directors to decide terms and conditions for the issuance of share warrants as stock options to directors (excluding outside directors), executive officers, operating officers, executive advisers and employees of the Company and its subsidiaries.

[Information regarding this Notice of Annual Shareholders’ Meeting]

In connection with the Notice of Annual Meeting of Shareholders, the Company has started to provide shareholders with information such as “Materials for Shareholders’ Meeting” also on the Company’s website (<https://www.ichiyoshi.co.jp/stockholder/presentation>).

In the event that you cannot access the Company’s website, we recommend that you access the website of the Tokyo Stock Exchange (<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show>) where you may insert either “Ichiyoshi Securities” in the stock issue column or “8624” in the stock code column to search for “Basic Information” and “Public Documents/PR Information” in this order.

Gifts to shareholders:

There will be no gift presented to attending shareholders and there will not be held a social gathering between executives and shareholders after the shareholders' meeting.

Note: In the event that there is a substantial change in the running of the shareholders' meeting due to circumstantial conditions, such change will be notified on the Company's website.

4. Matters concerning Contents of Internet Disclosure for the 83rd Annual Shareholders' Meeting

The following documents (items (i), (ii), (iii), (iv), (v), (vi), (vii), (viii), (ix), (x) and (xi)) are disclosed on the Company's website in accordance with laws and Article 15 of the Articles of Incorporation of the Company. Hence, they are not contained as such in the notice of annual shareholders' meeting sent by mail.

- (i) Major borrowing sources and amounts;
- (ii) Matters concerning stock acquisition rights;
- (iii) Outline of contents of directors' and officers' liability insurance
- (iv) Matters concerning accountants;
- (v) System to ensure the appropriateness of business operations and the outline of operational status of the system;
- (vi) Fundamental policy concerning the control of a public limited company;
- (vii) Policy on decision on dividends paid out of retained earnings;
- (viii) Consolidated Statement in Changes in Shareholders' Equity;
- (ix) Notes to Consolidated Financial Statements;
- (x) Statement of Changes in Shareholders' Equity (non-consolidated); and
- (xi) Notes to Financial Statements (non-consolidated).

Therefore, any quotation from these documents made in this notice of shareholders' meeting forms part of documents audited by certified public accountants and the Audit Committee,

Method to notify corrections as to reference documents for shareholders' meeting, reports on business result and financial statements:

Any corrections occurring to reference documents for shareholders' meeting, reports on business result and financial statements will be notified on the Company's website.

5. Guidance for exercising voting rights:**(1) Exercising voting rights in person:**

You are required to present your voting card at the reception desk of the shareholders' meeting before the meeting starts at 10:00 a.m. on June 21, 2025 (Saturday). (No person other than an entitled shareholder shall be admitted to the meeting. Neither his/her agent nor his/her accompanying person shall be admitted.)

(2) Exercising voting rights through proxy:

In the event that you cannot attend the shareholders' meeting in person, you may exercise your voting rights by appointing another shareholder of Ichiyoshi attending the meeting as your proxy; provided, however, that he/she must produce a document certifying his/her proxy status.

(3) Exercising voting rights by mail:

You are required to mail your completed voting card (postage prepaid) to be received by the Company at or before 5:00 p.m. on June 20, 2025 (Friday).

(4) Exercising voting rights via Internet:

You are required to exercise your voting rights through the Company's Designated

Voting Website (<https://evote.tr.mufg.jp/>) by 5:00 p.m. on June 20, 2025 (Friday) (Please note that the Designated Voting Website is not accessible between 2:30 a.m. and 4:30 a.m. every day, Japan time.)

- Reminder:** (i) In the event that you attend the shareholders' meeting in person, you need not follow instructions relating to voting by mail or via Internet.
(ii) In the event that you exercise your voting rights by mail, you should follow instructions in the voting card (the card being omitted in this English version).

6. Guidance for exercising voting rights through the Designated Voting Website:

You can exercise your voting rights by accessing the Designated Voting Website via your smart phone or personal computer.

- (1) Exercising your voting rights via your smart phone:
- (i) By scanning the "QR Code for Log-in" provided in the voting card (omitted in this English version), you will be automatically connected to the Designated Voting Website and will be able to exercise your voting rights. (Thus, you do not need "Log-in ID" nor "Temporary Password")
 - (ii) It should be noted that a certain type of smart phone may not be compatible with the "QR Code for Log-in" provided. If that should happen, please exercise your voting rights via your personal computer without use of "Log-in ID" or "Temporary Password", as detailed below.
- (2) Exercising your voting rights via your personal computer:
- (i) By applying "Log-in ID" and "Temporary Password" provided in the voting card (omitted in this English version) on the Designated Voting Website, you will be able to exercise your voting rights in accordance with instructions listed on the Website.
 - (ii) Each time shareholders' meeting is held, a new "Log-in ID" and "Temporary Password" will be provided.
- (3) Further notes on the Designated Voting Website:
- (i) The exercise of voting rights is only possible by accessing the Designated Voting Website via personal computer or smart phone (the Website is accessible at any time except from 2:30 am to 4:30 am)
 - (ii) The exercise of voting rights via personal computer or smart phone may not be possible in the event that firewall or antivirus devices are installed or proxy servers are used or TLS cryptography is not designated, depending on your Internet usage environment.
 - (iii) The exercise of voting rights electronically is possible by 5:00 pm on June 20 (Friday) ,2025 (except from 2:30 am to 4:30 am), but you are urged to exercise your voting rights earlier if possible.
 - (iv) If you have any question, please contact Securities Transfer Dept.(Help Desk), Mitsubishi UFJ Trust & Banking Corp. (Free call: 0120-173-027, open between 9:00 am and 9:00 pm).
- (4) Expenses arising from access to the Designated Voting Website:
Shareholders are required to bear expenses arising from access to the Designated Voting Website.

Reminder:

- (i) In the event of exercising voting rights doubly by sending back a voting card by mail or via Internet, voting instructions via Internet shall be adopted.
- (ii) In the event of exercising voting rights more than once via internet, the last-dispatched voting instruction shall be adopted.

[Electronically-Voting Platform for Institutional Investors]

Nominee shareholders, such as trustee banks and standing proxies (for non-resident shareholders), may exercise their votes via the electronic-voting platform operated by ICJ Inc., provided that they have applied for the use of the platform in advance.

Referential Materials for Shareholders' Meeting

I. 1st proposed resolution: Appointment of 7 directors

The terms of office of all currently-incumbent directors will expire at the close of the shareholders' meeting. The Nominating Committee of the Company has resolved to propose the below-mentioned 7 nominees for directors.

The following persons are 7 nominees for directors:

Nominee number	Name of nominee	Current positions at the Company
1	Masashi Takehi	Chairman & Director Chairman of the Board of Directors, Member of Nominating Committee, Member of Remuneration Committee To be reappointed
2	Hirofumi Tamada	President & Director Representative Executive Officer To be reappointed.
3	Shoichi Yamazaki	Deputy President & Director Representative Executive Officer To be reappointed.
4	Akira Gokita	Head of Outside and Independent Directors Member of Nominating Committee (Chairman) Member of Audit Committee (Chairman) To be reappointed.
5	Yoko Mashimo	Outside and Independent Director (female) Member of Remuneration Committee To be reappointed
6	Eiji Hirano	Outside and Independent Director Member of Nominating Committee Member of Audit Committee To be reappointed.
7	Yuko Numata	Outside and Independent Director (female) Member of Remuneration Committee (Chairwoman) Member of Audit Committee To be reappointed.

[Further details on each nominee]

Nominee number and name	Birth date	Current career and positions and frequency of attendance at various meetings	No. of the Company's shares owned
1 Masashi Takehi	April 13, 1943	Frequency of attendance at Board of Directors' meetings: 19 times (100%) Frequency of attendance at Nominating Committee: 4 times (100%) Frequency of attendance at Remuneration Committee: 4 times (100%)	171,400 shares

[Positions/occupations prior to the current ones are omitted in this English version]

● **Reason for his nomination as director:**

He formerly served as managing director of Nomura Securities Co. Ltd. and then served as representative director and president of the Company successively. Since becoming a director and executive chairman of the Company in April 2012 and chairman of the Board of Directors of the Company in April 2018, he has taken on management and supervising responsibility for the Company and its group companies. Considering his qualification for inside directorship selection criteria and his management achievement and experience so far, the Nominating Committee has judged that he can apply his deep insight on securities business and securities industry and his superb managerial capability to the management of the Company.

- If he is reappointed as director at the shareholders' meeting, he is scheduled to become a member of the Nominating Committee and a member of the Remuneration Committee upon the conclusion of the shareholders' meeting.

2 **Hirofumi Tamada** October 25, 1971 Frequency of attendance at Board of Directors' meetings: 19 times (100%) 70,000 shares
[Positions/occupations prior to the current ones are omitted in this English version]

● **Reason for his nomination as director:**

Since joining the Company in 1998, he has taken positions successively at the Advisors Division, Advisor Support Division and Control/Planning Division. Since being appointed as President and Representative Executive Officer in April 2020, he presided over business operations as head of the Company. Considering his qualification for inside directorship selection criteria and his achievement, the Nominating Committee has judged that he can apply his deep knowledge and profound experience acquired through his appointments at various divisions, including the Advisors Divisions, to the management of the Company.

3. **Shoichi Yamazaki** September 23, 1955 Frequency of attendance at Board of Directors' meetings: 19 times (100%) 24,900 shares
[Positions/occupations prior to the current ones are omitted in this English version]

(Some of his other current positions)

Auditor at Ichiyoshi Business Service Co. Ltd.
Auditor at Ichiyoshi Asset Management Co., Ltd.
Auditor at Ichiyoshi Research Institute Inc.
Auditor at Ichiyoshi IFA Co., Ltd.

● **Reasons for his nomination as director:**

Since joining the Company 2015, he took charge of various Head Office divisions as operating officer. He became Executive Officer in charge of administrative and control divisions at Head Office in 2020. Since becoming Managing Executive Officer in April 2021, he took charge of finance, management, administrative, control and system divisions and subsidiaries. Becoming Director and Managing Executive Officer in June 2021, he continued to oversee the same functions. He became Director and Senior Managing Executive Officer in June 2022 and Director and Representative Executive Officer in June 2024. Since becoming Director and Representative Deputy President in June 2024, he assisted the president in his management of the Company while acting as executive supervisor for personnel/training. Considering his qualification for inside directorship selection criteria and his business achievement, the Nominating Committee has judged that he can apply his superb insight and knowledge acquired through his experience at various divisions to the management of the Company.

4 **Akira Gokita** September 20, 1947 Frequency of attendance at Board of Directors' meetings: 19 times (100%) 0 share

Frequency of attendance at Nominating Committee:
4 times (100%)
Frequency of attendance at Audit Committee:
15 times (100%)
[Positions/occupations prior to the
current ones are omitted in this
English version]

(Significant concurrent position)

Currently he is an attorney-at-law with Gokita Miura Law Office,
and an outside director at Sanwa Holdings Ltd.

- **He is a nominee as outside director**, as defined under Article 2-3-7 of the Company Law Enforcement Regulations.
- **He is a nominee as independent director**, an outside director having no conflict of interest with the Company's shareholders, as defined by the Tokyo Stock Exchange.
- **Reason for his nomination as outside director and his role expected:**
He has provided the Company with his fair and objective views as outside director of the Company. The Nominating Committee believes that he is qualified for outside directorship selection criteria and that he is equipped with expertise and profound knowledge and experience as former public prosecutor and attorney-at-law. Therefore, the Nominating Committee has judged that he can contribute to the management of the Company by providing his deep insight and advice based on such experience and enhance the Company's governance capability. There is no conflict of interest between Mr. Gokita and the Company.
He will have served the Company as outside director for 15 years by the conclusion of the shareholders' meeting.
- If he is reappointed as outside director at the shareholders' meeting, he is scheduled to be a member of the Nominating Committee (as chairman) and a member of the Audit Committee (as chairman) upon the conclusion of the shareholders' meeting.

5 **Yoko Mashimo** September 20, 1969 Frequency of attendance at 12,600 shares
Board of Directors' meetings: 19 times (100%)
Frequency of attendance at
Remuneration Committee: 3 times (100%)
(since becoming a member of the Committee)
[Positions/occupations prior to the
current ones are omitted in this
English version]

(Significant concurrent position)

Currently, she is Representative of Specified Labor and Social Security Attorney Personnel Management, and outside director at Katakura Industries Co, Ltd..

- **She is a nominee for outside director**, as defined under Article 2-3-7 of the Company Law Enforcement Regulations.
- **She is a nominee as independent director**, an outside director having no conflict of interest with the Company's shareholders, as defined by the Tokyo Stock Exchange.
She was an advisor as labor and social security attorney to the Company since 2006, but retired from that position in May 2021. Her remuneration from the Company was approximately 1.4 million yen per year on the average. Hence, the Company believes that her independency is well warranted. She is registered with the Tokyo Stock Exchange as an independent director as defined by the Exchange.
- **Reason for her nomination as outside director and her role expected:**
She provided the Company with appropriate views from the fair and objective standpoint. The Nominating Committee believes that she is qualified for outside directorship selection criteria and that she is equipped with expert and profound knowledge and experience as labor and social security attorney. Therefore, the Nominating Committee has judged that she can contribute to the management of the Company by providing her deep and wide insight from the female point of view and enhance the Company's governance capability. There is no conflict of interest between Ms. Mashimo and the Company.
She will have served the Company as outside director for 4 years by the conclusion of the shareholders' meeting.
- If she is reappointed as outside director at the shareholders' meeting, she is scheduled to be a member of the Remuneration Committee upon the conclusion of the shareholders' meeting.

6 Eiji Hirano	September 15, 1950	Frequency of attendance at Board of Directors meetings 18times (95%) Frequency of attendance at Nominating Committee: 4times (100%) Frequency of attendance at Audit Committee: 14times (93%) [Positions/occupations prior to the current ones are omitted in this English version]	23,400 shares
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(Significant concurrent position)

He is currently Director and Chairman at MetLife Insurance Co. Ltd. and outside director at Riken Co., Ltd.

- **He is a nominee as outside director**, as defined under Article 2-3-7 of the Company Law Enforcement Regulations.
- **He is a nominee as independent director**, an outside director having no conflict of interest with the Company's shareholders, as defined by the Tokyo Stock Exchange.
 He was advisor to the Company for 3 years from October 2014 to September 2017. His annual remuneration from the Company was approximately 3.6 million yen. Hence, the Company believes that his independency is warranted.
 He is registered with the Tokyo Stock Exchange as independent director as defined by the Exchange.
- **Reason for his nomination as outside director and his role expected**
 He provided the Company with appropriate views from the fair and objective standpoint as outside director.
 The Nominating Committee believes that he is qualified for outside directorship selection criteria and that he is equipped with expertise and profound knowledge and experience on finance and securities as former director at the Bank of Japan. Therefore, the Nominating Committee has judged that he can contribute to the management of the Company by providing his deep insight and advice based on such experience and enhance the Company's governance capability. There is no conflict of interest between Mr. Hirano and the Company.
 He will have served the Company as outside director for 3 years by the conclusion of the shareholders' meeting.
- If he is reappointed as outside director at the shareholders' meeting, he is scheduled to be a member of the Nominating Committee and the Audit Committee upon the conclusion of the shareholders' meeting.

7 Yuko Numata	April 10, 1968	Frequency of attendance at Board of Directors' meeting: 19 times (100%) Frequency of attendance at Remuneration Committee: 4 times (100%) Frequency of attendance at Audit Committee: 15 times (100%) [Prior positions/occupations are omitted in this English version]	2,200 share
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(Significant concurrent positions)

Full-time Professor for Global Business Research Course at Professional Graduate School of Meiji University and outside director at Japan Aviation Electronics Industry, ltd.

- She is a nominee for outside director, as defined under Article 2-3-7 of the Company Law Enforcement Regulations.
- She is a nominee as independent director, an outside director having no conflict of interest with the Company's shareholders, as defined by the Tokyo Stock Exchange.
 She was advisor to the Company since 2013 and retired from that position at the end of March 2022. Since her remuneration per year was as small as approximately 3.6 million yen, the Company believes that independence as outside director is warranted.
 She is registered with the Tokyo Stock Exchange as independent director as defined by the Exchange.
- **Reason for her nomination as outside director and her role expected:**
 She provided the Company with appropriate views from the fair and objective standpoint.

The Nominating Committee believes that she is qualified for outsider directorship selection criteria and that she is equipped with expertise and profound knowledge and experience as researcher and scholar of management strategy of U.S. and Japanese financial institutions. Therefore, the Nominating Committee has judged that she can contribute to the management of the Company by providing her deep and wide insight from the female point of view and enhance the Company's governance capability. There is no conflict of interest between Ms. Numata and the Company. She will have served the Company as outside director for 3 years by the conclusion of the shareholders' meeting.

- If she is reappointed as outside director at the shareholders' meeting, she is scheduled to be a member of the Remuneration Committee (Chairwoman) and the Audit Committee upon the conclusion of the shareholders' meeting.

Notation to the 1st Resolution:

(Outline of Directors and Officers Liability Insurance)

The Company has contracted Directors and Officers Liability Insurance (the D&O Insurance). Therefore, any person appointed as an applicable director or officer will be covered by the D&O Insurance.

The outline of the D&O Insurance is as follows:

- i. Geographical coverage is the whole world and insurance period is from March 23, 2025 to March 23, 2026.
- ii. Compensable events:
 - a. If an applicable director or officer becomes liable for a damage claim from a shareholder or third person resulting from the director's or officer's action or failure to act during the insurance period, such damage and litigation expenses will be covered.
 - b. When there arises a possibility of a damage claim suit (even if a suit has not actually happened) and an applicable director or officer incurs expenses in related defense, such expenses will be covered.
- iii. This insurance will not cover a damage claim resulting from an applicable director's or officer's action contrary to public order and morals, thereby ensuring that directors' or officers' execution of their duty will be made in an appropriate manner.

[Reference 1]

The following are selection criteria for nominees as defined by the Nominating Committee:

For inside directors:

- Superb management sense
- Superb leadership, foresightedness and planning ability
- High law-abiding nature
- Personal magnetism in and out of the Company
- Healthiness physically and mentally

For outside directors:

- High personality and insight
- Plentiful experience in business operations and expert knowledge
- High law-abiding nature
- Unwavering independency as outside director
- Healthiness physically and mentally
- Qualification both as outside director under Enforcement Regulations of the Company Law and as independent director having no conflict of interest with shareholders under the Regulations of the Tokyo Stock Exchange

[Reference 2]

The following members are planned for each of the Nominating Committee, the Remuneration Committee and the Audit Committee after the shareholders' approval of this resolution:

Nominating Committee: Mr. Akira Gokita (Chairman)
Mr. Eiji Hirano
Mr. Masashi Takehi

Remuneration Committee: Ms. Yuko Numata (Chairwoman)

Ms. Yoko Mashimo

Mr. Masashi Takehi

Audit Committee:

Mr. Akira Gokita (Chairman)

Mr. Eiji Hirano

Ms. Yuko Numata

[Reference 3]

Insight and Experience of Nominees for Directors (Skill Matrix)

Name	Position	Experience and expertise						
		Business management & governance	Securities business	Finance & accounting	Law & compliance	Internal control & risk management	Personnel, Labor & Administration	Global
Masashi Takehi	Chairman of Board of Directors	●	●	●	●	●	●	●
Hirofumi Tamada	Director, President, Representative Executive Officer	●	●			●	●	
Shoichi Yamazaki	Director, Deputy President and Representative Executive Officer	●	●	●	●	●	●	
Akira Gokita	Outside and Independent Director	●		●	●	●		
Yoko Mashimo	Outside and Independent Director				●		●	●
Eiji Hirano	Outside and Independent Director	●		●		●		●
Yuko Numata	Outside and Independent Director	●	●	●				●

II.2nd proposed resolution: Authorization of the Board of Directors to decide terms and conditions for the issuance of share warrants as stock options to directors (excluding outside directors), executive officers, operating officers, executive advisers and employees of the Company and its subsidiaries.

[Please refer to the Company's press release dated May14, 2025, titled "Authorization of the Board of Directors to Decide Terms and Conditions for the Placement of Share Warrants as Stock Options for "the Group" on Ichiyoshi's website (<https://www.ichiyoshi.co.jp/stockholder/presentation>)]

[Referential Material]

Corporate Philosophy and Management System

Ichiyoshi Credo (corporate philosophy)

The Company has made efforts to "Build a company like no others so far in Japan" based on "Ichiyoshi Credo" as a pillar of its corporate philosophy. The Credo records

“the Company’s Principles and Action Guidelines which directors, officers and employees all hold as their common measure of value for the Company’s raison d’etre in the community.

[Ichiyoshi Raison D’etle]

The Company contributes to the development of local communities and the securities market by serving each and every customer’s interests.

Vis-à-vis employees: Respecting employees’ individuality and striving for human resource cultivation. Prioritizing teamwork and creating a bright and transparent workplace.

Striving to create a free and open-minded corporate culture where employees can make use of their abilities and perform their duties with passion.

Vis-à-vis shareholders: Striving to raise the corporate value through the continuous expansion of business result. Placing stress on shareholder return by raising profitability and financial soundness.

Striving for IR activities through the appropriate disclosure of information, thereby ensuring the transparency of management.

Vis-à-vis customers: Listening carefully to what customers have to say, standing in customers shoes and giving them advice with all heart.

Providing customers with high-quality services, products and information matching changes in the society and market

Vis-à-vis society: Contributing to the development of the society as a participant in the financial and securities markets.

Complying with laws and regulations and behaving with high ethical standards. Continuing out activities for the contribution to local communities. Striving for the realization of a sustainable society through activities to cope with climate change and to promote environmental protection.

Management Philosophy

To remain a company of customers’ trust and choice.

Management Objective

Name-brand boutique house in the finance and securities industry

Action Guidelines

Gratitude, Integrity, Courage, Responsiveness, Continuity

<Management System and Corporate Governance>

The Company moved from the statutory auditor system to the company-with three-committees system effective from June 2003. Hence, the Company has been equipped with a corporate governance system in which management decision-making, supervisory control and business execution each functions independently and effectively. Namely, decision-making and supervisory control are performed by the Board of Directors and each of the three committees, and business execution is carried out by executive officers with the assistance of operating officers. [The diagram of Governance System is omitted in this English version]

(1) Decision-making and Supervisory control

(i) Board of Directors

The Board of Directors resolves on matters required legally and stipulated under the Articles of Incorporation, decides or approves basic management policies and material matters on business executions and supervise business executions by directors and executive officers.

(ii) Nominating Committee

The Nominating Committee deliberates and decides on the nominees for directors to be elected or dismissed at the shareholders' meeting.

(iii) Remuneration Committee

The Remuneration Committee reviews and decides on the individual remuneration of each director, executive officer, and operating officer.

(iv) Audit Committee

The Audit Committee audits the performance of duties by the directors and executive officers, prepares an audit report and a draft resolution to appoint or dismiss accountants to be submitted to the shareholders' meeting for approval. The Audit Committee audits the legality and appropriateness of decision-making by directors and executive officers and the status of development of the Internal Control System in accordance with the auditing policy and the role-division set by the Audit Committee. The Company has in place the Audit Committee Office as a body to assist the Audit Committee. The Audit Committee Office is staffed with full-time personnel.

(v) Management Committee

The Management Committee is an advisory body to the Board of Directors and, as such, reviews important and/or urgent matters for the smooth management of business and reports the result of such reviews to the Board of Directors. .

(vi) Internal Control Committee

Aiming to build the unified internal control system for the Company and its subsidiaries, the Internal Control Committee formulates the internal control policy and reviews each individual important matter concerning internal control.

(vii) Meeting of Directors without Executive Power

The meeting consists of Chairman of Board of Directors and five outside directors to widely exchange information on the Ichiyoshi group, the securities industry and the economical environment.

(viii) Meeting of Independent and Outside Directors

Independent and outside directors actively contribute to discussions at meetings of the Board of Directors by exchanging and sharing their views and insights from independent standpoints, thereby enhancing the effectiveness of the Board of Directors.

(2) Business execution

(i) Executive Officers

Executive Officers can make decisions on the execution of matters entrusted by the Board of Directors, contributing to the smooth decision-making and business executions.

(ii) Committee of Executive Officers

The Committee of Executive Officers resolves on matters entrusted by the Board of Directors and coordinates activities among them for their smooth executions.

(iii) Operating officers

Following the decision made by the Committee of Executive Officers, each Operating Officer performs business execution under the instruction of his supervising Executive Officer.

(iv) Other meetings

The Company has in place Sustainability Promotion Meeting as a conference body to plan, enforce and improve how to promote sustainability enhancement, and the Risk Management Meeting (to consult on and cope with company-wide risk management), the Unified Compliance Meeting (to advise and follow up on review items at individual compliance meetings), and the Individual Compliance Meeting (to seek out risk items at individual sections for understanding and review), all as sub-bodies to the Internal Control Committee..

In addition, the Company has in place the Information Disclosure Meeting (to make proper, comprehensive and timely disclosure of any material event as it ever happens) and the IT Meeting (to review matters on IT investment and management and information security), both as decision-making organs of the Committee of Executive Officers.

(3)Measures to Ensure the Effectiveness of Board of Directors

Since before the installation of the corporate governance code, the Company has had in place the company-with-three-committees system separating decision-making and execution with outside directors consulting fully with executing officers. Currently, as before, free and open discussions are being made at meetings of the Board of Directors, with executing officers listening to comments by outside directors. When there arise matters requiring more data in the eyes of outside directors, such matters will be treated as items of continued deliberation, thereby ensuring transparency.

In order to further ensure the effectiveness of the Board of Directors, the following measures are being taken:

- (1) Meeting of non-executive directors and meeting of outside and independent directors

The meeting of directors without executive power is held with the Chairman of the Board of Directors acting as chairman for the purpose of supervising the Company's management from the independent and objective points of view. At the meeting, exchanges of views on the directions of Japanese and U.S. interest rates, political movements, securities industry, economy, social matters, beside the management of the Company are made freely and openly, thereby ensuring the effectiveness of the Board of Directors. Such meetings were held 14 times for the fiscal year ended March 31, 2025.

The meetings of independent and outside directors were held twice for the fiscal year ended March 31, 2025 for the purpose of exchanging and sharing views widely on the Company's business as a whole.

- (2) Outline of questionnaire result on effectiveness of Board of Directors

Since 2017, questionnaire to all directors has be conducted for the purpose of surveying the performance and effectiveness of the Board of Directors. 33 items in the questionnaire are intended to test whether the Board of Directors is properly functioning. The results are used to improve on problem areas and strengthen the Company's advantages, thereby continuously ensuring the effectiveness of the Board of Directors.

<Basic Policy and Operational System to Promote Sustainability>

In addition to promoting Corporate Philosophy further, the Company has in place "Basic Policy for Sustainability" to contribute to realizing a sustainable society.

Basic Policy for Sustainability

The Company will deal with various tasks relating to circumstances, society and community under "Ichiyoshi Credo," thereby contributing to the development of, and improvement on, circumstances, society and community. Through such contribution, the Company seeks to grow continuously in the finance and securities industry, at the same time building a more solid business model and raising its corporate value.

<Materiality> (Important tasks)

- Vis-à-vis employees:
- i. Furtherance of corporate culture to promote job satisfaction and employees' sense of engagement.
 - ii. Furtherance of personnel education and training to cope with changing circumstances.
 - iii. Realization of worker-friendly mood considering gender sensitiveness.
 - iv. Forming of personnel and wage system considering diverse types of working.
- Vis-à-vis Customers:
- i. Promotion of "Stock-Type Business Model" with stress on customers' asset formation based on medium- to long-term diversified investments.
 - ii. Enhancement of research capability, investment capability and advice capability to cope with trading orders based on customers' own judgment..
 - iii. Improvement on services and digitalization in order to contribute to customers' convenience.
- Vis-à-vis Shareholders:
- i. Enhancement and maintenance of highly effective and transparent governance.
 - ii. Effective use of capital and realization of shareholder return.
 - iii. Building of system to prevent any deed contrary to professional ethics and compliance.
 - iv. Promotion of risk control including from climate change.
- Vis-à-vis Society:
- i. Furtherance of dealing with reduction of CO2.
 - ii. Furtherance of contribution to local communities.
 - iii. Contribution to furtherance of financial literacy.
 - iv. Development of ,and dealing in, products friendly to SDGs.

1. For Employees (as Human Capital)

(1) Attitude toward human resource development

(i) Human development policy

Since establishing "Ichiyoshi Credo" in 2006, the Company has striven to enhance a sustainable corporate value, at the same time emphasizing its engagement with various stakeholders through securities business.

While "Ichiyoshi Credo" points to the Company's raison d'être in its relationship with various stakeholders, the Company recognizes that human resources are a target of priority investment in the belief that human resources themselves are the source of growth.

Thus, in the foregoing item of <Materiality> (Important tasks), the Company has put up "Furtherance of personnel education and training to cope with changing circumstances" as a task to be concretely tackled with on an on-going basis.

(ii) Training system

Under the customer-focused "Stock-type Business Model," the Company need to provide an investment advice matching each customer's intention and gaining his/her trust. In order to do that, the Company need to fulfill internal personnel training to enhance the quality of advisors. In addition, the Company has in place "Self-skill-promotion Program" and provides a subsidy for correspondence courses for securities analyst or certified financial planner or award incentive remuneration to an employee who has acquired such qualification. In addition, the Company has in place a system to provide a subsidy for tuition fee for correspondence courses for upskilling other than qualification.

(Diagrammatic explanation is omitted in this English version)

(iii) Dispatching of employee to outside company as trainee

The Company has a policy to dispatch an employee as trainee to an outside company (whether it is a securities company or not) and have his/her knowledge and experience as trainee contribute to raising of effectiveness of, or improvement on, intra-company operations or administration.

(2) Policy toward improvement on in-house circumstances

(i) Policy toward improvement on in-house circumstances

Since 2017, with respect to improvement on in-house circumstances, the Company has scrutinized more than 50 related items semi-annually to attain “Worker-friendly and worthwhile working place.” Thus, in the foregoing item of <Materiality> (Important tasks), the Company has put up “Furtherance of corporate culture to promote job satisfaction and employees’ sense of engagement,” “Realization of worker-friendly mood considering gender sensitiveness” and “Forming of personnel and wage system considering diverse types of working.” The Company naturally continues to tackle with “Worker-friendly and worthwhile working place.”

(ii) Policy toward diversity

The Company believes that the active involvement of female workers in the Company’s business operations is indispensable to enhance the sustainable growth of its corporate value in the diversifying society. The Company is striving to improve working circumstances so that female workers can work lively and actively. Thus, the Company is proceeding with steps to decrease the difference in length of service between male and female workers and increase the ratio of female managers.

The Company also enhanced a system to balance work and home and made it easier to use the system. In the same spirit, the Company has in place systems to assist employees on leave or retired employees in returning to work.

<Progress toward diversity> (As of March 31, 2025)

Female managers’ ratio:	19.2%
Ratio of paternity leaves:	108.3%
Wage difference between male and female employees:	77.1%
Average years of service for male workers:	16 years and 7 months
Average years of service for female workers:	13 years and 2 months
Ratio of female workers among new graduate recruitment:	40.9% (18 out of total 44 recruits) (recruitment made April, 2025)
Acquisition rate of paid vacation:	53.1%

(3) Policy toward working environment

In order to really cope with “Worker-friendly and Worthwhile Office,” It is important that the Company should engage itself to grasp how employees are feeling and coping with daily jobs. For that purpose, general managers of departments and branch managers hold one-on-one meetings with each employee periodically and the Company conducts a questionnaire survey targeting employees on a regular basis. In addition, the personnel department conducts interviews with each employee based on his self-enumeration report, thereby allocating or promoting a right person to a right place.

2. For Customers (Business Operation on a Customer-first basis)

The Company’s motto is to “Be a Securities Company Like No Other So Far in Japan.” To realize this motto, the Company makes it a management objective to build a “Name-brand Boutique House” in the finance and securities industry. The Company has proceeded with business operations on a “Customer First Basis” since its founding. Following the Japanese Big Bang in late 1990s, there started the movement of “From Savings to Investments.” To

promote this movement further, the Company has been making efforts to transform itself to “Stock-Type Business Model” (asset-accumulation type business model), thereby providing customers with high-quality products and better services, all for customers’ asset building.

[Triangular Pyramid Management]

Under this triangular pyramid management, 4 divisions (“Customer services,” “Products and Management,” “Research” and “Backup”) form their respective facets of the pyramid and support one another, thereby maximizing functions of each division/ subsidiary. Co-working between and among divisions and subsidiaries will further enhance synergistic process. The synergistic process will help provide better products, more useful information and better services, thereby contributing to customers’ asset and business management.

3. For Shareholders (Action to Implement Management that is Conscious of Cost of Capital and Stock Price)

In order to meet expectations of all stakeholders, including shareholders, of Ichiyoshi Securities Co. Ltd. (the “Company”), the Company has worked on business management by maintaining a full awareness not only of the level of revenue and profit on the profit & loss statement but also of the cost of capital and return on capital on the balance sheet so that it will lead to an increase in corporate value on a medium- to long-term basis and realize a sustainable growth.

PBR (price book-value ratio) is one of corporate-value barometers based on the balance sheet and a product of ROE (return on equity) and PER (price earnings ratio), and the Company regards the raising of ROE as most important for the improvement of PBR.

Specifically, the Company will aim to complete its management target of customer-focused “Stock-Type Business Model,” and make efforts to expand customers’ assets in custody chiefly based on investment trust funds and wrap-account assets, both the sources of stable revenue, so that it will achieve return on capital surpassing the cost of capital and sustainable growth.

Since an increase in customers’ assets in custody and a rise in revenue are proved to have a proportional relationship with each other, the Company believes that the increase in customers’ assets in custody itself will lead to the rise in revenue, resulting in the raising of PBR.

Therefore, the Company regards the cost coverage ratio (the ratio at which the sum of trailer fees, investment fund management fees and wrap-account fees covers the selling, general and administrative expenses) as an index to measure the progress in “Customers’ Assets in Custody” and the completion of “Stock-Type Business Model,” and has adopted the cost coverage ratio as the most important management target. The cost coverage ratio is also included in the current Medium-Term Management Plan “3-D” together with “Customers’ Assets in Custody” and “ROE” as targets.

[Medium-Term Management Plan (3-D)]

The Company started its Medium-Term Management Plan “3-D” from April 2023 with its target date set for the end of March 2026 to accelerate its transformation to “Stock Type Business Model.” “3-D” represents 3 trillion yen of customers’ assets in custody and doubling of assets in fund-wrap accounts and investment trusts and targets “Cost Coverage Ratio of approximately 70%” and “ROE of 10%” and foresees PBR of 1.2 times at the end of the Plan (as compared to 0.9 time as of March 31, 2025).

Items	Numerical targets contained in “3-D” Targeted figures (as at March 31, 2026)
Customers’ assets in custody	3 trillion yen
Cost coverage ratio*	70%
ROE (return on equity)	10%

*Cost coverage ratio is the ratio at which the sum of trailer fees, investment trust management fees and wrap-account fees covers the selling, general and administrative expenses.

[Policy and Result regarding Decision on Dividends out of Retained Earnings]

(1) Policy on Dividends out of Retained Earnings

The Company places its stress on a continuous stream of dividend payment linked to business result. In deciding on an amount of dividend, payout ratio is a basic measure. Additionally, DOE (namely, ratio of dividends to shareholders' equity) is taken into account for a continuous stream of dividend payment.

Specifically, the Company has adopted the payout ratio of approximately 50% and the DOE of approximately 2%, the both measures being calculated semiannually on a consolidated basis and the larger result of the calculation between the two measures being chosen.

(2) Actual Dividends Paid out of Retained Earnings for Fiscal 2024

Under the dividend policy, an interim dividend per share paid out of the Company's retained earnings to shareholders of record as of September 30, 2024 was 17yen (calculated on the basis of the DOE measure), and a final dividend per share payable to shareholders of record as of March 31, 2025 is to be 17yen (calculated on the basis of the DOE measure), thus an annual total dividend per share being 34yen

Dividend payment record for recent 3 fiscal years:

	For fiscal year ended Mar 2023	For fiscal year ended Mar 2024	For fiscal year ended Mar 2025
Interim dividend	17yen	17yen	17yen
Final dividend	17yen	17yen	17yen
Total for the year	34yen	34yen	34yen

4. For Society (regarding Climate Change)

(1) How the Climate Change will risk and affect the Company's Business Activities and Earnings

In order to effect appropriate asset valuation and proper asset allocation in the management of customers' accounts on a medium- to long-term basis, the Company needs a consistent and appropriate disclosure of information regarding climate change-related risks to investment target companies and their earnings. The lack of such disclosure would cause troubles to the management of customers' financial assets, such as the loss of stability of customers' asset management and the lowering of medium- to long-term investment performance. If that should happen, customers' trading opportunities with the Company might decrease, resulting in the lowering of the Company's earnings.

Conversely, if investment target companies make consistent and appropriate disclosure of information, it will contribute to the stability of the Company's customers' asset management and to the raising of medium- to long-term performance of their investments. Such condition may help the Company increase its earnings.

Hence, Ichiyoshi Research Institute (IRI), which has long specialized in research on small- and medium-cap companies, has now adopted ESG achievement (including the handling of climate change) as one of its important criteria for the selection of research target companies. The result of IRI's research is applied to the management of the Company's customers' assets.

Ichiyoshi Asset Management (IAM), a subsidiary of the Company, also applies IRI's research result on ESG to its management of investment trust funds.

Furthermore, IAM manages an investment trust fund "Ichiyoshi ESGs Small- and Medium-Cap Equity Fund."

Thus, the Company believes that the asset balance of IAM's publicly-offered investment trust funds are one of useful indicators of how climate change and its risk have affected

the Company's business activities and earnings.

(2) Policy toward climate change based on TCFD'S Recommendation

Based on the Company's "Basic Policy on Sustainability," the Company has specified challenges to be tackled as important tasks (materiality). One of such tasks is "Reinforcement of Tackling for Reduction of CO2 Emission" for "For Society," showing the Company's determination to contribute to the society as one of its members.

Realizing the importance of the disclosure of climate-related information, the Company is proceeding with the expansion of contents of the disclosure as the Company agrees with Task Force on Climate-Related Financial Disclosures (an international organization).

(i) Governance

The Company has in place "Sustainability Promotion Meeting" under the supervision of the Board of Directors to plan, enforce, inspect and improve the method of promoting sustainability. The Meeting is chaired by President and Executive Officer and makes periodical reports to the Board of Directors. "Sustainability Promotion Room," a secretariat to the Meeting, is a center for the Company's sustainability activities.

(ii) Strategy

The Company presumes that there are risks and opportunities relating to climate change. Regarding risks, the Company presumes that there are risks from transfer to lower-carbon economy and risks from physical changes caused by climate change. Regarding opportunities, the Company presumes that there are opportunities relating to "products/services" and "market." Based on such presumption, the Company has studied potential situations and effects. As a result of such study so far, the Company now recognizes that potential risks are not so material as to affect the Company's business seriously. Naturally, the Company will continue such study with an eye on changes in circumstances.

(iii) Risk management

Climate change-related risks are presumed to be widely and intricately linked to risks financial instruments firm face in their business activities. Thus, the Company treats climate change-related risks as major ones to be handled at "Risk Management Meeting," a company-wide consultative body for risk management. The Meeting will report the result of its discussion to "Internal Control Meeting" (ICM). ICM will deliberate the subject and then report the result of its deliberation to the Board of Directors.

(iv) Index and target

Environmental Agency and Ministry of Economy, Trade and Industry formulated a guideline to ensure consistency with GHG Protocol (international standard) relating to green house gas emissions (GHG) from supply chains. The Company computed GHG emissions from its business activities on the basis of the said guidelines as shown below. Based on the Company's computation, the Company assesses climate change-related risks and opportunities, at the same time measuring its advance in handling the matter.

< GHG Emissions: Unit: t-CO2 >

	Scope 1	Scope 2	Total
For fiscal 2023	403	866	1,269
For fiscal 2024 (Estimate)	432	850	1,282

The Company has been conducting social contribution activities for past 20 years

Mangrove project: Planted cumulative 505,000 mangroves since 2009.

Building natural banks against damages caused by earth warming.

Humanitarian medical assistance: Pediatric vaccination to approx.1,136,000 children since 2009. Also, assisting in providing fundamental medical

services, rebuilding health institutions and developing medical staff.
Guide dog project: Training of guide dogs and assisting in rehabilitation for visually impaired persons. Total of 8 dogs have been serving since 2005.

School building construction project:

Built 14 school buildings in 9 Asian nations since 1996.

Assisting in improvement on learning environments for children living in developing nations.

The Company will continue to deal with various tasks surrounding communities and contribute to realization of sustainable society.

Project of vegetable garden on the roof: To assist in children playing in the nature in partnership with Edible KAYABAEN.

Financial education project: Educating junior and senior high school students as to finance and their future careers.

Ichiyoshi SDGs-related Small- and Medium-Cap Equity Fund:

Investing in domestic small- and medium-cap stocks engaged in business activities related to the achievement of SDGs.

<External evaluation of Ichiyoshi's efforts for ESG and SDGs>

FTSE Blossom Japan Sector Relative Index

The Company was adopted as a company for "FTSE Blossom Japan Sector Relative Index in 2023. This index was created for the purpose of measuring the performances of Japanese companies which are relatively remarkable in each of their sectors for their efforts for ESG.

"Eruboshi" Certificate

The Company was awarded with "Eruboshi" Certificate (highest degree) from Ministry of Health, Labour and Welfare. This certificate is awarded to a company which has cleared certain standards for female advancement.

Excellent Health Company

The Company has participated in "Declaration of Excellent Health Company" promoted by the Health Insurance Society of Tokyo Securities Dealers Association. Having cleared 18 items across 7 sections, the Company has acquired "Silver Recognition" as excellent health company.

Tokyo Foundation for Policy Research (TFPR) (public interest incorporated foundation) introduced The Company in the research report. The Company was quoted in TFPR's "CSR White Paper 2024" as a company engaged in CSR and personnel capital management. The Paper reads: "The performance of employees and customs based on the Company's credo make the Company promote activities beyond the Company's business. The Company's credo and its corporate culture build bridges between CSR and personal capital management."

Addendum

Report on Business Result

(For the fiscal year from April 1 2024 to March 31, 2025)

I Outline on Business Result

1. Outline on Business Performance

During the fiscal year ended March 31, 2025, the Japanese economy continued its gradual recovery pattern. Personal consumption showed signs of revival despite rising prices. While corporate production activities leveled off, equipment investments mainly focused on DX (digital transformation) to raise productivity continued to grow steadily

on the back of high-level of corporate earnings. Globally, while some economies remained weak, overall economic activities recorded a gradual growth pattern under weakening inflationary pressure.

The Japanese stock market underwent volatile price movements. The Nikkei Stock Average on the Tokyo Stock Exchange (the TSE) recorded its historic high of 42,224 yen on July 11, 2024, aided by the weakening yen and the future potentials of generative AI. Thereafter, however, as anxiety over the U.S. economy grew and the Bank of Japan made its additional rate increases, the Nikkei Stock Average plummeted to 31,458yen on August 5, the lowest since October 31, 2023. Thereafter, as expectation for soft-landing of the U.S. economy rose and the prediction of additional rate increases by the Bank of Japan receded, the strength of the yen came to a pause and the stock market regained its norm. From Autumn on, uncertainty over Japanese and U.S. politics mounted, limiting the stock market's upward movements. After Donald J. Trump assumed presidency on January 20, 2025, the Nikkei Stock Average registered sharp declines out of concern over the effect of tariff hikes by the U.S. on the global economy as a whole. Thus, the Nikkei Stock Average ended the period at 35,617yen.

In the foreign currency market, the yen rate against the U.S. dollar was on the 151yen per 1 U.S. dollar level at the beginning of the period. On July 3, the yen recorded 162yen per 1 U.S. dollar, the weakest in 37 years and half. Thereafter, however, the yen's strength accelerated, reflecting changes in Japanese and U.S. interest rate policies. After the yen strengthened below 140yen temporarily, the yen turned weaker again, ending the period in the higher 149-yen range per 1 U.S. dollar.

In the Growth Section of the TSE for companies with high growth potential, the TSE Growth Section Index started the period at 924. The index plummeted to 628 on August 5, and then rebounded with its upward rise limited, Thus, the Index ended the period at 836.

In the Prime Section of the TSE, the average daily turnover was 5,063.1 billion yen. In the Standard Section of the TSE, the average daily turnover was 137.9 billion yen. In the Growth Section of the TSE, the average daily turnover was 134.4 billion yen.

Under these circumstances, the Company has been aiming to build customer-focused "Stock-Type Business Model," and exerting its efforts to increase core-stock assets in fund-wrap accounts and investment trust funds in order to expand its customers' assets in custody to 3 trillion yen as a numerical target under the Medium-Term Management Plan "3 · D."

The Company regards the cost coverage ratio as an important management index which indicates the degree of the Company's advance towards "Stock-Type Business Model" (asset-accumulation type business model). The cost coverage ratio for the fiscal year ended March 31, 2025 was 71.4%, up from 61.2% for the year-earlier period. (The cost coverage ratio is the ratio at which the sum of fund management fees, trailer fees and wrap-account fees cover selling, general and administrative expenses.)

Also, fees on stable –income sources accounted for 64.1% of total commissions and fees received, up from 53.3%.

With regard to "Dream Collection," a fund wrap account vehicle and a core of "Stock Type usiness Model," it enjoys an increasing popularity among customers as a medium-to long-term investment vehicle for customers' conservative assets. Its outstanding balance as of March 31, 2025, amounted to 327.3 billion yen, up 21.5%. "Dream Collection Pass" for which the Company started to receive application from September 2024 is a next generation inheritance service pass. The Pass makes it possible for the

next generations of customers (investors) to inherit the assets without changing them into cash—a yet rare service for fund wraps in Japan. Together with this service, the Company intends to support medium-to long-term asset-building across generations.

With respect to investment trust funds (other than Dream Collection), the Company has recommended stock funds matching customers' needs, such as "Ichiyoshi Global Equity Fund" and "Ichiyoshi Japan Select Dividend Equity & J-REIT Fund." "Ichiyoshi Global High Dividend Strategic Fund," launched in June 2024 as a distribution-type fund popular among customers and another no-load fund, following after "Ichiyoshi Global Equity Fund," is also contributing to an increase in assets of investment trust funds.

The outstanding balances of these funds as of March 31, 2025, amounted to 762.3 billion yen, down 4.3%.

With respect to Ichiyoshi Asset Management Co., Ltd. the assets under its management continued to increase and amounted to recorded 582.6 billion yen as of March 31, 2025, up 7.5%.

With respect to activities on stocks, the Company has proposed to customers asset-backed stocks with stress on stability and stable dividends under low-interest rate and inflationary circumstances. In addition, the Company has recommended to customers investment in small- and medium-cap growth stocks selected based on the Company's strength in research. The Company has thus continued to make various proposals and recommendations to promote stocks as means of medium to long-term asset-formation.

Under such environment and activities, net operating revenue for fiscal 2024 amounted to 18,762 million yen, down 0.2% from fiscal 2023. Selling, general and administrative expenses amounted to 16,476million yen, up 3.0%. Hence, operating profit registered 2,285 million yen, down 18.5%.

Customers' assets in custody as of March 31, 2025, amounted to 2,205 billion yen, down 2.5%.

2. Commissions and Selling, General and Administrative Expenses

i. Commissions and fees received

Total commissions for fiscal 2024 amounted to 18,346 million yen, down 0.1 % from the previous fiscal year.

(a) Brokerage commissions

Total brokerage commissions on stocks fell 19.0% to 4,320 million yen. Brokerage commissions on small- and medium-cap stocks (listed on Standard Section of the TSE, Growth Section of the TSE, Main Section of the Nagoya Stock Exchange (the NSE) and Next Section of the NSE) registered 468 million yen, down 29.1%, accounting for 10.9% of total brokerage commissions on stocks.

(b) Fees for offering, secondary distribution and solicitation for selling and others for professional investors

Fees on investment trust funds amounted to 1,603 million yen, down 37.4%. Thus, total fees for offering, secondary distribution and solicitation for selling and others for professional investors recorded 1,615 million yen, down 37.5%.

(c) Other fees received

The trailer fees related to the outstanding balances of investment trusts under custody registered 4,538 million yen, up 5.0%. Fees on fund-wrap accounts amounted to 4,623 million yen, up 43.1%. Investment trust management fees at Ichiyoshi Asset Management Co., Ltd. recorded 2,594 million yen, up 16.3%. Thus, total other fees received amounted to 12,317 million yen, up 18.8%.

ii. Gains or loss on trading

Trading in stocks, etc. recorded net gains of 25 million yen, down 65.9% from the year-earlier period. Trading in bonds and foreign exchange, etc. registered net gains of 19 million yen, up 32.2%. As a result, total net gains on trading amounted to 45 million yen, down 49.7%.

iii. Net financial revenue

Interest and dividend income rose 6.9% to 170 million yen, Interest expenses grew 6.6% to 41 million yen. As a result, net financial revenue recorded 128 million yen, up 7.0%.

Resultantly, net operating revenue for fiscal 2024 stood at 18,762 million yen, down 0.2% from the year-earlier period.

iv. Selling, general and administrative expenses

Selling, general and administrative expenses rose 3.0% to 16,476 million yen chiefly as personnel expenses increased.

v. Non-operating income and expenses

The Company recorded non-operating income of 121 million yen, including investment gains of 65 million yen on investment partnerships and 20 million yen in the form of insurance proceeds, dividends etc. As a result, net non-operating income amounted to 121 million yen, up 68.2%.

Resultantly, current profit for fiscal 2024 amounted to 2,406 million yen, down 16.3%.

vi. Extraordinary income and loss

Extraordinary income amounted to 10 million yen, mainly in the form of sales proceeds on investment securities, and extraordinary loss registered 32 million yen, mainly in the form of transfer of 13 million yen to reserve for financial instruments transaction liabilities and an impairment loss of 10 million yen. Thus, net extraordinary loss amounted to 21 million yen, a decline of 64 million yen from the previous fiscal year.

Resultantly, income before taxes and tax adjustments for fiscal 2024 registered 2,385 million yen, down 18.2%, and net income attributable to owners of parent (after deduction of corporate income taxes, resident's taxes and enterprise taxes in the aggregate amount of 832 million yen and after addition of corporate tax adjustments of 11 million yen) recorded 1,564 million yen, down 18.9%.

The following table shows the breakdown of commissions by products on a consolidated basis (in millions of yen):

	Stocks	Bonds	Beneficiary certificates	Others	Total
For the fiscal year ended March 31, 2024:					
Brokerage commissions	5,336	--	86	--	5,423
Commissions from underwriting and solicitation to specified investors	-	--	--	--	0
Commissions from distribution and solicitation to specified investors	--	20	2,563	--	2,584
Commissions from other sources	24	4	9,786	550	10,365
Total	5,361	24	12,436	550	18,372
For the fiscal year ended March 31, 2025					
Brokerage commissions	4,320	--	93	--	4,413
Commissions from underwriting and solicitation to specified investors	--	--	--	--	--
Commissions from distribution and solicitation to specified investors	--	11	1,603	--	1,615
Commissions from other sources	21	8	11,756	530	12,317
Total	4,341	19	13,454	530	18,346

3. Financial Conditions

Conditions of assets, liabilities and net worth

(a) Assets

Assets amounted to 41,900 million yen as of March 31, 2025, a decrease of 4,747 million yen (down 10.2%) from March 31, 2024, mainly as cash and deposits fell by 2,971 million yen and cash paid for offering slid by 911 million yen.

(b) Liabilities

Liabilities stood at 14,438 million yen as of March 31 2025, a fall of 3,200 million (down 18.1%) from March 31, 2024, mainly as deposits received declined by 1,259 million yen and margin transaction liabilities fell by 1,061 million yen.

(c) Net worth

Net worth amounted to 27,461 million yen as of March 31, 2025, a fall of 1,546 million yen (down 5.3%) from March 31, 2024. The decrease resulted mainly from recording of net income (attributable to owners of parent) of 1,564 million yen for the fiscal year while the Company paid dividends in the amount of 1,150 million yen and acquired treasury shares at the cost of 1,901 million yen.

As a result, equity ratio as of March 31, 2025 recorded 65.4% as compared with 62.1% as of March 31, 2024. Capital adequacy ratio, as defined by the regulator, registered 448.0% as compared with 518.0% as of March 31, 2024.

4. Material Financing

None.

5. Material Equipment Investment

Major equipment investments for the fiscal year ended March 31, 2025, included 411 million yen for IT foundation.

6. Material Corporate Mergers and Acquisition

None.

7. Changes in Assets and Income and Loss (on a consolidated basis)
(in millions of yen except for per-share earnings)

	---For fiscal year ended March 31---			
	2022	2023	2024	2025
Operating revenue	19,591	16,666	18,837	18,804
(of which commissions)	(18,986)	(16,219)	(18,372)	(18,346)
Net operating revenue	19,553	16,625	18,798	18,762
Current profit	3,443	1,216	2,875	2,406
Net income attributable to owners of parent	2,526	758	1,929	1,564
Earnings per share	69.97yen	21.93yen	57.11yen	47.11yen
Total assets	47,935	42,670	46,647	41,900
Net worth	30,064	27,826	29,008	27,461

Notes: Earnings per share are calculated based on the average number of outstanding shares during the fiscal year (excluding treasury shares).

8. Challenges to Be Tackled

As the flow of capital from “Savings to investments” has got into full swing for the past several years amid fears over inflationary economy and expectations for the start of NISA system in tandem with 100 year life planning, the Japanese finance and securities industry is strongly required to conduct customer-focused business operations.

For the 20 years or so, the Company has maintained the “Ichiyoshi Standards” containing 7 principles, which prohibit the Company from dealing in products incomprehensible or not advantageous to customers such as structured bonds containing risk-return packages and advise the Company’s employees not to sell products simply because they are popular among people. In the same spirit, the Company has sought to transform itself from “Flow-Type Business Model” chiefly based on brokerage commissions to “Stock-Type Business Model” chiefly based on retainer fees on investment trust funds and wrap-account fees. Since 2019, the Company has been proceeding with its “Decisive Acton for Reform” in its first reformative action in 20 years to cope with changes in circumstances and to more focus on customer-based business. Decisive Action for Reform is intended to further expand customers’ assets in custody as a barometer of management and further solidify its transformation to “Stock-Type Business Model. In addition to “Not selling products simply because they are popular,” the Company has put up another guideline of “Producing of products suited for each customer’s needs.”

In the course of carrying out “Decisive Action for Reform,” the Company has streamlined its management and staff, including the replacement of president and rejuvenation of management staff, In addition, the Company discontinued its underwriting division which had been underperforming and losing its relative weight in the Company. The Company has also abolished its regional advisers system and changed its sales promotion system from traditional headquarters-based system to branch-led system, thereby each branch providing locally-based goods and services to each customer. Efforts to make various reforms to provide each customer-focused services are continuing.

Further from the point of view to serve customers better, the Company is in process of reorganizing its branch network system, such as changing branches to a smaller scale of planet plazas closer to customers.

Regarding the personnel as a basis for the Company’s growth, the Company has

placed the cultivation of the personnel as the most important task for management. In the ongoing “Decisive Action for Reform,” the Company’s basic strategy is focused on the “Reinforcement and cultivation of personnel” and “Worker-friendly and Worthwhile Office.” Thus, the Company’s efforts are continuing in a concrete terms.

The Company is continuing its “Decisive Action for Reform” to become a “Name-brand boutique house in finance and securities industry.” Taking advantage of the Ichiyoshi group’s strength (advising capability of Ichiyoshi Securities Co. Ltd., research capability of Ichiyoshi Research Institute Inc. and fund management capability of Ichiyoshi Asset Management Co., Ltd.) and compliance capability (leading to customer satisfaction), the Company is determined to realize the targets of the Medium-Term Management Plan “3-D” and long-term growth based on the expansion of customers’ assets in custody,

9. Status of Parent Company and Subsidiaries

(1) Relationship with parent company:

None (Ichiyoshi has no parent company).

(2) Status of material subsidiaries (They are located in Chuo-ku, Tokyo):

Name of Subsidiary	Paid-up capital (mil. yen)	Voting ratio by parent (%)	Contents of business
Ichiyoshi Research Institute Inc.	20	100.00%	Information services; investment advisory & agency
Ichiyoshi Asset Management Co. Ltd.	490	100.00%	Investment management including investment trust; investment advisory & agency;
Ichiyoshi Business Service Co., Ltd.	240	100.00%	Property renting/ brokerage/management; sales of office supplies; investment brokerage
Ichiyoshi IFA Co., Ltd.	150	100.00%	Financial instruments intermediary service

Note: There is no specified wholly-owned subsidiary as defined under the applicable law.

10. Principal business (as of March 31, 2025)

(i) Stock-related businesses

Stock-related businesses consist of buying and selling of stocks on a brokerage and principal basis in the secondary market and sales solicitation and offering to specified investors and handling of such solicitation and offering. The following are particulars of stock-related businesses:

(a) Buying and selling on a brokerage basis

Buying and selling of stocks on securities exchanges in accordance with customers’ instructions.

(b) Buying and selling on a principal basis

Buying and selling of stocks on the Company’s own account.

(c) Offering, secondary distribution and solicitation for selling and others for professional investors

Distribution of newly-offered or secondarily-distributed stocks to customers.

(ii) Bond-related businesses

Bond-related businesses consist of buying and selling of bonds, issued by governments, municipalities, corporations, etc., on a brokerage and principal basis in the secondary market and handling of private placements of such bonds.

- (iii) Investment trust-related businesses
Investment trust-related businesses consist of distribution and buying and selling of beneficiary certificates of domestic investment trust funds and foreign investment trust funds and handling of sales solicitation to specified investors.
- (iv) Securities futures-related businesses
Securities futures-related businesses consist of buying and selling of securities futures, securities index futures, securities options and foreign-market securities futures on a brokerage and principal basis.
- (v) Other businesses
Securities lending and borrowing, insurance handling, customer referral and introduction, financial instruments intermediary service, information service, investment management and advisory, investment-brokerage, real estate renting/broking and management, and sales of office supplies.

11. Status of offices and branches (as of March 31, 2025)

(1) Offices and branches of Ichiyoshi Securities Co., Ltd. (parent)

Head Office: Tokyo Shoken Kaikan Bldg. 1-5-8, Nihonbashi Kayaba-cho, Chuo-ku, Tokyo

Number of branches and offices: 51

The geographical breakdown of branches and offices:

[The Japanese map is omitted in this English version.]

Kanto District:	15	Nakano, Planet Plaza Narimasu, Akasaka, Nakameguro, Kichijoji, Yokohama, Planet Plaza Odawara, Kamioka, Planet Plaza Fujisawa Urayasu, Chiba, Koshigaya Planet Plaza Seijo, Planet Plaza Jiyugaoka Planet Plaza Ichikawa (In addition, the Company has Call Center-Ichiyoshi Direct)
Chubu District	6	Nagoya, Okazaki, Iida, Ina, Ise, Planet Plaza Shima
Kinki District	19	Osaka, Nanba, Imazato, Harinakano, Ishibashi, Kishiwada, Hirakata, Yao, Fushimi, Nishinomiya, Kobe, Kakogawa, Nishiwaki, Planet Plaza Kasai, Takada, Gakuenmae, Gobo, Tanabe, Tamaki
Chugoku-Shikou District	3	Okayama, Kurashiki, Shodoshima,
Kyushu District	6	Fukuoka, Omuta, Planet Plaza Sasebo, Planet Plaza Isahaya, Planet Plaza Karatsu Planet Plaza Takeo
Tohoku District	2	Morioka, Mizusawa,

(2) Business offices of subsidiaries:

- **Ichiyoshi Research Institute Inc.:** Chuo-ku, Tokyo
- **Ichiyoshi Asset Management Co., Ltd.:** Chuo-ku, Tokyo
- **Ichiyoshi Business Services Co., Ltd.:** Chuo-ku, Tokyo
Osaka Office; Chuo-ku, Osaka
- **Ichiyoshi IFA Co., Ltd.** Chuo-ku, Tokyo

12. Employees (as of March 31, 2025)

(1) Employees on a consolidated basis

	Number	Change from March 31, 2024

Regular employees:		
Male	663	+5
Female	301	+3
Total	964	+8

Notes: (i) In addition to employees and workers mentioned above, there are 9 executive advisers, 1 counselor, 2 contract-based advisors. and 1 commission-based financial advisor.

(ii) The above-mentioned employees include operating officers.

(2) Employees of Ichiyoshi Securities Co., Ltd. (parent)

	Number	Change from March 31, 2024	Average age	Average years of service

Regular employees:				
Male	595	+7	45 years and 2 months	16 years and 7 months
Female	278	+3	42 years and 0 month	13 years and 2 months
Total / average	873	+10	44 years and 2 months	15 years and 6 months

Notes: (i) In addition to employees mentioned above, there are 3 executive advisers, 1 counselor, 2 contract-based advisors and 1 commission-based financial advisor.

(iii) The above-mentioned employees include operating officers.

(3) Share of mid-career hires in managerial class (manager and above)

End of March 2017	End of March 2018	End of March 2019	End of March 2020	End of March 2021	End of March 2022	End of March 2023	End of March 2024	End March 2025
51.2%	51.2%	53.7%	52.0%	47.5%	45.8%	47.0%	46.0%	46.0%

(4) Share of female workers in manager class (manager and above)

End of March 2017	End of March 2018	End of March 2019	End of March 2020	End of March 2021	End of March 2022	End of March 2023	End of March 2024	End March 2025
8.7%	9.4%	9.8%	11.6%	15.3%	14.2%	16.1%	19.0%	19.2%

13. Major Borrowing Sources (as of March 31, 2025)

Name of lender	Term	Outstanding amount (in millions of yen)
Mitsubishi UFJ Bank Ltd.	Long	33
Mizuho Bank Ltd.	Long	33
Mitsubishi UFJ Bank Ltd.	Short	159
Resona Bank Ltd.	Short	20
Mizuho Bank Ltd.	Short	30
Mitui Sumitomo Bank Ltd.	Short	20

Nihon Securities Finance Co., Ltd.	For margin transactions	1,967

II. Matters Concerning the Company's Stock (as of March 31, 2025)

1. Number of authorized shares: 168,159,000 shares
2. Number of issued shares: 37,931,386 shares
(which include 6,117,472 treasury shares)
3. Number of shareholders (as of March 31, 2025): 15,293
4. Major shareholders (top 10): (in thousands of shares) (as of March 31, 2025)

Name of shareholder	No. of shares held (in thousands)	% of total
The Master Trust Bank of Japan, Ltd. (Trust Account)	4,717	14.82
BNYM AS AGT/CLTS NON TREATY JASDEC	1,659	5.21
Custody Bank of Japan, Ltd. (Trust Account)	1,235	3.88
Nomura Research Institute, Inc.	879	2.76
Ichiyoshi Securities Employee Shareownership Association	725	2.27
STATE STREET BANK AND TRUST COMPANY505001	477	1.50
JAFCO GROUP CO.,LTD.	300	0.94
JP MORGAN CHASE BANK 385794	234	0.73
UBS AG LONDON A/C IPB SEGREGATED CLIENT ACCOUNT	187	0.58
BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC)	186	0.58

Note: As of March 31, 2025, the Company held 6,117,472 treasury shares, which are not included in the calculation of the above-mentioned %.

5. Other matters concerning stock

In order to improve efficiency on capital and flexibly execute capital policy matching changes in circumstances, the Board of Directors of the Company adopted resolutions relating to the acquisition of treasury shares and executed such resolutions to acquire treasury shares as follows:

Oct. 30, 2024: The Board of Directors resolved on acquisition of treasury shares.

From Oct. 31 to Dec. 20, 2024, the Company acquired 1,861,600 shares at the cost of 1,699 million yen.

On February 12, 2025, the Board of Directors resolved on acquisition of treasury shares.

On February 13, 2025, the Company acquired 245,000 shares at the cost of 201 million yen.

III Matters Concerning Share Warrants

(1) Status of share warrants issued to directors and officers as compensation for their performance of duties:

(a) Name of share warrants: 13th Share Warrants

Dare of resolution of issuance: May 15, 2020

Payment required for share warrant: None.

Exercise price of share warrant: 45,500yen per warrant.

Conditions for exercise of share warrant:

(i) Holder of share warrant is required to be in the position of director, executive officer, operating officer, auditor, executive adviser or employee when exercising his/her share warrant, provided, however, that this provision shall not apply when he/she loses such position due to retirement after expiration of term of office, mandatory retirement age or other reasonable cause.

(ii) Share warrant is not allowed to be pawned or disposed of any other way.

(iii) In the event of share warrant holder's death, his/her legal heir may exercise the share warrant.

Exercise period of share warrant: From May 26, 2022 to May 25, 2025.

(b) Name of share warrants: 14th Share Warrants

Date of resolution of issuance: June 14, 2023

Payment required for share warrant: None.

Exercise price of share warrant: 62,000yen per warrant.

Conditions for exercise of share warrant:

(i) Holder of share warrant is required to be in the position of director, executive officer, operating officer, auditor, executive adviser or employee when exercising his/her share warrant, provided, however, that this provision shall not apply when he/she loses such position due to retirement after expiration of term of office, mandatory retirement age or other reasonable cause.

(ii) Share warrant is not allowed to be pawned or disposed of any other way.

(iii) In the event of share warrant holder's death, his/her legal heir may exercise the share warrant

Exercise period of share warrant: From June 23, 2025 to June 22, 2028.

(c) Name of share warrants: 15th Share Warrants

Date of resolution of issuance: Oct. 30, 2024

Payment required for share warrants: None

Exercise price of share warrant: 84,700yen

(i) Holder of share warrant is required to be in the position of director, executive officer, operating officer, auditor, executive adviser or employee when exercising his/her share warrant, provided, however, that this provision shall not apply when he/she loses such position due to retirement after expiration of term of office, mandatory retirement age or other reasonable cause.

(ii) Share warrant is not allowed to be pawned or disposed of any other way.

(iii) In the event of share warrant holder's death, his/her legal heir may exercise the share warrant

Exercise period of share warrant: From Nov. 9, 2026 to Nov. 8, 2029

Status of holding of share warrants by directors (excluding outside directors) and officers of the Company:

(i) Name of share warrants: 13th Share Warrants

Number of share warrants: 50 warrants

Number of shares issuable after full exercise of share warrants: 5,000 shares.

Number of holders: 1

(ii) Name of share warrants: 14th Share Warrants

Number of share warrants: 290 share warrants

Number of shares issuable after full exercise of share warrants: 29,000 shares.

Number of holders: 3

(iii) Name of share warrants: 15th Share Warrants

Number of share warrants: 290 share warrants

Number of shares issuable after full exercise of share warrants: 29,000 shares

Number of holders: 3

(2) Information on share warrants issued during the fiscal year ended March 31, 2025 to employees of the Company as compensation for their performance of duties:

	Name of share warrants	Number of share warrants	Number of shares issuable upon exercise of warrants	Number of eligible persons
Operating officers and employees of the Company	15 th Share Warrants	4,033 share warrants	403,300 shares of common stock	939
Officers and employees of Subsidiaries	15 th Share Warrants	513 share warrants	51,300 shares of common stock	38

IV. Matters Relating to Directors and Officers of the Company

1. Directors and executive officers (as of March 31, 2025)

Title	Name	Charge/role/profession
Director, Chairman of Board of Directors	Masashi Takehi	Chairman of the Board of Directors, Member of Nominating Committee, Member of Remuneration Committee
Director, President and Representative Executive Officer	Hirofumi Tamada	Executive Chief for Advisors Division
Director, Representative Senior Managing Executive Officer	Shoichi Yamazaki	Executive Supervisor for Finance, Management, Operations Control Division, System System Division and Subsidiaries Auditor of Ichiyoshi Business Services Auditor of Ichiyoshi Asset Management Auditor of Ichiyoshi Research Institute Auditor of Ichiyoshi IFA
Outside Director	Akira Gokita	Chairman of Nominating Committee, Chairman of Audit Committee, Head of outside & independent directors Attorney-at-law with Gokita-Miura Law Office, Outside director at Sanwa Holdings Ltd.
Outside Director	Yoko Mashimo	Member of Remuneration Committee Representative of Specified Social Insurance Labor and Social Security Personnel Management Outside director at Katakura Kogyo Co.,Ltd.
Outside Director	Eiji Hirano	Member of Nominating Committee, Member of Audit Committee Director & Vice Chairman of MetLife Insurance Co. Ltd. Outside director at Riken NPR Co., Ltd.
Outside Director	Yuko Numata	Chairwoman of Remunerating Committee, Member of Audit Committee Full-time Professor for Global Business Research Course at Professional Graduate School of Meiji University. Outside director at Japan Aviation Electronics Industry, Ltd.

Notes:

- (1) Messrs. Akira Gokita, Yoko Mashimo, Eiji Hirano and Yuko Numata are outside directors as defined by Article 2-15 of the Company Law.
- (2) Messrs. Akira Gokita, Yoko Mashimo, Eiji Hirano and Yuko Numata are independent directors having no conflict of interest with the Company's shareholders as defined under the regulations of the Tokyo Stock Exchange.
- (3) Mr. Eiji Hirano is a former director of the Bank of Japan (in charge of international finance) and involved in business management, thus having a reasonable knowledge of finance and accounting. Ms. Yuko Numata, Director, is a scholar of Japanese securities industry and corporate researcher, thus having a reasonable knowledge of finance and accounting.

(4)The Company has in place an Audit Committee Room, staffed by a full-timer, which assists the performance of the Audit Committee. The Company does not nominate a full-time Audit Committee member.

(5)Outside Director Mr. Kenro Kakeya retired from his position on June 22, 2024.

(6)The following are operating officers as of March 31, 2025:

Title	Name	Charge/role
Senior Operating Officer	Masaki Yano	Executive Chief for Corporate Sales
Senior Operating Officer	Mikio Nio	Executive Chief for Financial & Public Corporations
Senior Operating Officer	Masami Takeda	Supervisor for Institutional Investors Division

(7) Senior Operating Officers Mr. Masaki Yano, Mr. Mikio Nino and Mr. Masami Takeda retired from their positions on March 31, 2025.

Effective as of April 1, 2025, there were the following appointments:

Name	New titles and positions	Main coverage
Hirofumi Tamada	Director, Representative Executive Officer and President	
Shoichi Yamazaki	Director, Representative Executive Officer Deputy President	Executive Supervisor for Finance, Management, Operations, System, Personnel, Training and Subsidiaries
Hiroshi Abe	Operating Officer	Executive Chief for Advisors Division
Hiroyuki Chisaka	Operating Officer	Executive Chief for Advisors Support Division and IFA
Nobuyuki Sato	Operating Officer	Executive Chief for Institutional Sales Division
Noritoshi Yamanaka	Operating Officer	Executive Chief for Corporate Sales Division

Note: There was no material change in Me. Yamazaki's concurrent positions.

2. Outline of Directors and Officers Liability Insurance

The Company has contracted a directors and officers liability insurance (“D&O Insurance”) whose outline is as follows:

(1)Covered directors and officers and payer of insurance premiums:

All directors, executive officers and operating officers of the Company and its subsidiaries are covered. Insurance premiums are all paid by the Company.

(2)Geographical coverage is the whole world, and the insurance period is from March 23, 2025 to March 23, 2026.

(3)Compensable events:

(i)If an applicable director or officer becomes liable for a damage claim from a shareholder or third person resulting from the director's or officer's action or failure to act during the insurance period, such damage and litigation expenses will be covered.

(ii)When there arises a possibility of a damage claim suit (even if a suit has not actually happened) and an applicable director or officer incurs expenses in related defense, such expenses will be covered.

(4)This insurance will not cover a damage claim resulting from an applicable director's or officer's action contrary to public order and morals, thereby ensuring that directors' or officers' execution of their duty will be made in an appropriate manner.

3. Remunerations for directors and executive officers (remunerations in millions of yen)

Type	Total of all kinds of remunerations	Total of basic remuneration	Total of Business- result-linked remuneration	Total of Non-monetary remuneration	Total of other remuneration	No of applicable directors or officers
Directors (excluding outside directors)	154	135	14	1	2	3
Outside directors	79	76	2	--	0	5

Notes: (1) In the form of non-monetary remuneration, the Company awarded share warrants to 3 directors (excluding outside directors). Expenses relating to those warrants which arose in the fiscal year ended March 31, 2025 are recorded in the financial statements.

The total number of share warrants remaining unexercised as of March 31, 2025 is 630 (one warrant is entitled to

100 shares).

(2)The number of outside directors in the table above includes one outside director who retired from his position during the fiscal year.

4. Policy on determination of individual remunerations of directors and executive officers for the fiscal year ended March 31, 2025

(1) The following is an outline of the policy of the Remuneration Committee for determining individual remunerations of directors and executive officers:

(i) Basic policy:

To lift the desire and will of directors and executive officers for company management and derive their utmost management capability, so that they will contribute to the achievement of desired business result.

(ii) Contents of remunerations:

Remunerations of directors and executive officers of the Company shall consist of “Monthly Basic Remuneration,” “Remuneration Linked to Business Result,” “Stock-related Remuneration” and “Non-monetary Remuneration” (such as housing allowance for persons living independently of their families for business reasons).

(iii) Policy for determining each of the above-mentioned remunerations:

(a) Monthly Basic Remuneration shall be individually determined by the Remuneration Committee through interview and hearing with each of directors and executive officers on his degree of execution of management strategies, degree of management contribution and performance result while the basic standard remuneration of each director and executive officer is fixed based on the contents of role/charge of his position as director or executive officer.

(b) Remuneration Linked to Business Result shall be individually determined by the Remuneration Committee through interview and hearing with each of directors and executive on his contribution to business result and degree of performance of role/duty while the aggregate amount of remunerations for directors and executive officers are fixed based on current income and net income.

(c) Stock-related Remuneration shall be determined individually by taking account of potential effect of payment of this remuneration on management.

(d) Non-monetary Remuneration, such as for rent allowance for persons living apart from his family, shall be provided appropriately as required by business activities of each director and executive officer in the light of social norms.

(2) Indicators used for remuneration linked to business result, reasons for adopting such indicators and method of calculation of remuneration linked to business result are as follows:

(Indicators used for remuneration)

Current income and net income on a consolidated basis for the fiscal year ended March 31, 2025..

(Reasons for adopting indicators)

These indicators can be regarded as objective figures and generally so accepted.

(Method of calculation)

Firstly, the weighted average of current income and net income for the relevant semi-annual period is computed and compared with the corresponding average for preceding semi-annual period, thereby obtaining a positive or negative result for the calculation of remuneration linked to business result.

(3) Current income and net income for the fiscal year ended March 31, 2025 as indicators used for calculation:

Current profit: 2,406 million yen

Net income: 1,564 million yen

(4)Policy concerning decision on amount and computation of remuneration for each director and executive officer:

The Company has in place standards for paying remunerations depending on difference between directors and executive officers, ranks and degree of achievement of results.

In deciding an actual amount of remuneration for each of directors and executive officers, the Remuneration Committee carries out evaluation of standards for paying remuneration applicable to each director and executive officer. The Remuneration Committee regards the remunerations for directors and executive officers for the fiscal year ended March 31,2021 as concordant with standards for paying remunerations.

5. Matters relating to outside directors

(1) Matters relating to whether or not the Company's outside directors are outside directors of another company or companies, and relationship between the Company and another company or companies when outside directors are as such:

(i) **Outside Director Mr. Akira Gokita** is an attorney-at-law with Gokita-Miura Law Office and an outside director of Sanwa Holdings, Ltd. There is no matter to be noted between the Company and Gokita-Miura Law Office and Sanwa Holdings, Ltd..

(ii) **Outside Director Ms. Yoko Mashimo** is Representative of Specified Social Insurance Labor and Social Security Attorney Personnel Management and outside director at Katakura Kogyo Co., Ltd.. There is no matter to be noted between the Company and Specified Social Insurance Labor and Social Security Attorney Personnel Management and Katakura Kogyo Co.,Ltd.

(iii) **Outside Director Mr. Eiji Hirano** is Director and Deputy Chairman of MetLife Insurance Co., Ltd. and outside director at Riken Co., Ltd. There is no matter to be noted between the Company and MetLife Insurance Co., Ltd. and Riken NPR Co.

(iv) **Outside Director Ms. Yuko Numata** is Full-time Professor for Global Business Research Course at Professional Graduate School of Meiji University, and outside director at Japan Aviation Electronics Industry, Ltd. There is no matter to be noted between the Company and the university and Japan Aviation Electronics Industry Ltd.

(2) Attendances of the outside directors at the Company's various meetings:

Title	Name	Frequency of attendance and expression of views
Director Member of Nominating and Audit Committee	Akira Gokita	Attended 19 meetings of the Board of Directors (frequency ratio of 100%), 4 meetings of Nominating Committee (frequency ratio of 100%), 15 meetings of Audit Committee (frequency ratio of 100%) At meetings, he provided expert advices and views as a former public prosecutor and attorney-at-law, thereby ensuring the Company's governance capability.
Director Member of Remuneration Committee	Yoko Mashimo	Attended 19 meetings of the Board of Directors (frequency ratio of 100%) and 3 meetings of Remuneration Committee (frequency ratio of 100% since becoming a Committee Member.). At meetings, she provided expert advices and views as Labor and Social Security Attorney and from the female point of view. Thus, she contributed to the Company's management and governance.
Director Member of Nominating Committee and Audit Committee	Eiji Hirano	Attended 18 meetings of Board of Directors (frequency ratio of 95%), 4 meetings of Nominating Committee (frequency ratio of 100%) and 14 meetings of Audit Committee (frequency ratio of 93%). At meetings, he offered his expert advices and opinion as a former director (in charge of international finance) at the Bank of Japan and from his global standpoint as well as from his standpoint as a former business executive. . Thus, he contributed to the management and governance of the Company.
Director Member of Remuneration Committee, Audit Committee	Yuko Numata	Attended 19 meetings of the Board of Directors (frequency ratio of 100%),4 meetings of Remuneration Committee (frequency ratio of 100%) and 15 meetings of Audit Committee (frequency ratio of 100%) At meetings, she provided her expert knowledge and opinion as a scholar of management strategy of U.S .and Japanese financial institutions. Thus, her views from the female stand point

V. Matters concerning Certified Public Accountants

- (1) Name: Ernst & Young ShinNihon LLC
 - (2) Remunerations for the certified public accountants:
 - (i) Remunerations relating to work defined by Article 2-1 of Certified Public Accountants Act: 34,000,000yen.
 - (ii) Remunerations relating to work other than work defined by Article 2-1 of Certified Public Accountants Act: 1,000,000 yen.
 - (iii) Total of monetary and other economic benefits paid by the Company and its group companies: 39,000,000yen.
- NB: (a) The audit contract between the Company and the certified public accountants does not divide auditing work based on the Company Law from auditing work based on the Financial Instruments and Exchange Law. Hence, Remunerations mentioned in (i) above include remunerations relating to work based on the Financial Instruments and Exchange Law.
- (ii) The Audit Committee of the Company complies with “Practical Guidelines Concerning Cooperation with Public Accountants” (“Practical Guidelines”) publicized by Japan Auditors Association. In compliance with the Practical Guidelines, the Audit Committee ascertains and confirms the public accountants’ audit system, audit plan, audit implementation status, maintenance status of quality control and calculation base for estimated remunerations for auditing work. Based on such ascertainment and confirmation, the Audit Committee complies with Article 399-1 of the Company Law with respect to the remunerations for the public accountants.
- (3) Contents of non-auditing work:

Guarantee for legal compliance relating to segregated custody of customers’ assets.
 - (4) Matters concerning auditing of consolidated subsidiaries:

The consolidated subsidiaries of the Company are not audited by other than the certified public accountants of the Company.
 - (5) Decision on removal or non-reappointment:

The Audit Committee of the Company removes the public accountants with the consent of all Committee members when the public accountants fall under each item of Paragraph 1 of Article 340 of the Company Law. In the event of such removal, an Audit member selected by the Audit Committee shall report the removal and reasons for the removal at a shareholders’ meeting to be held for the first time since the removal.

The Audit Committee makes re-appointment or non-reappointment of public accountants after taking into account the quality of their audit, effectiveness and efficiency of their auditing work.

VI. System to Ensure Appropriateness of Business Operation and Outline of Operational Status of the System

Set forth below is the Company’s system to ensure appropriateness of business operations:

<1> System concerning the performance duties by the Audit Committee of the Company

- (i) Matters concerning directors and employees to assist in duties of the Audit

Committee of the Company.

The Company installs the Audit Committee Room as a body to assist in the duties of the Audit Committee. The Audit Committee Room with staffed with an employee to assist in the duties of the Audit Committee. The staff also assist in auditing work.

- (ii) Matters concerning the independence of directors and employees (who assist in the duties of the Audit Committee) from executive officers.

In order to ensure such independence, the transfer and performance review of, or disciplinary action against, the employees of the Audit Committee Room shall be authorized by the Audit Committee or a selected Audit Committee member.

- (iii) Matters to ensure the effectiveness of instructions to directors and employees assisting in the duties of the Audit Committee.

In order to ensure the effectiveness of instructions from the Audit Committee, employees of the Audit Committee Room shall be full-time employees and assist in auditing work at the instructions of Audit Committee member in accordance with the "Audit Committee Rules."

- (iv) System concerning report to the Audit Committee.

- a. When officers and employees of the Company are requested by Audit Committee members to report on matters concerning business execution, they shall promptly make such report to Audit Committee members involved or the Audit Committee.
- b. Officers and employees of the Company and its subsidiaries shall report in writing or orally to the Audit Committee when they have noticed any deed outside the scope of the purposes of the Company or any matter in contravention of laws and regulations and the Articles of Incorporation of the Company, or facts that may cause significant damage to the Company.
- c. Any person receiving from officers and employees of the Company and its subsidiaries reports on any deed outside the scope of the purposes of the Company or any matter in contravention of laws and regulations and the Articles of Incorporation of the Company, or any facts that may cause substantial harm to the Company shall report in writing or orally to the Audit Committee.

- (v) System to ensure that any person reporting to the Audit Committee shall not be treated unfairly.

The Labor Regulations shall stipulate that officers or employees who have made reports described in (iv) above shall not be treated unfairly.

- (vi) Matters concerning procedures for prepayment or reimbursement of expenses arising from the performance of duties of the Audit Committee members policy for treatment of other expenses or debt arising from the performance of duties of the Audit Committee.

When Audit Committee members request the prepayment or reimbursement of expenses arising from the duties of the Audit Committee or payment of other expenses arising from the performance of duties involved, the Company shall promptly in principle pay the related expenses.

- (vii) System to ensure that the audit by the Audit Committee shall be effectively carried out.

- a. Audit Committee members shall attend meetings of the Board of Directors and Executive officers to grasp the process of material decision-making and business execution.
- b. The Chairman of the Audit Committee shall attend the meetings of the Internal Control Meeting as a member status.
- c. Audit Committee members are entitled to attend other important meetings inside the Company as needed.
- d. Audit Committee members are entitled to investigate performance of duties by officers and employees, business performances and financial conditions of

- subsidiaries in accordance with the “Audit Committee Rules.”
- e. The Audit Committee shall arrange to receive periodical reports on the audit result of the internal audit section.

<2>System to ensure that the performance of duties of the Executive Officers comply with laws and regulations and the Articles of Incorporation of the Company.

- (i) System concerning conservation and control of information on business execution by Executive Officers.
- a. The Company makes a proper conservation and control of material documents relating to the performance of duties by Executive Officers in accordance with “Executive Officers Rules.”
 - b. The Company makes a thorough control of information on the performance of duties by the Executive Officers in accordance with “Information Security Policy,” “Privacy Protection Rules,” “Rules on Treatment of Privacy and Individual Data,” and “Information Security Guidelines.”
- (ii) Regulations and system concerning the risk control against loss of the Company
- a. The Company has put in place “Risk Control Regulations,” making specific sections responsible for specific risk categories, thereby further improving risk control system.
 - b. The Company has put in place “Risk Control Meeting” which regularly discusses and deals with matters concerning risks and makes reports on conditions to the Internal Control Committee . The Chairman of the Internal Control Committee shall make reports to the Board of Directors as needed.
 - c. The Company has formulated “Regulations on BCP(business continuity plan) in preparation for contingency, thereby improving the system to ensure the business continuity. The Company also regularly plans disaster-prevention education and emergency drill, thereby raising the awareness of disaster prevention and making preparations for happening of disasters.
 - d. When the Company faces difficulty in maintaining and continuing business operations in the event of disaster happening, the Company shall set up Disaster Control Headquarters for BCP which will strive for damage reduction and response to re-start business operations promptly.
- (iii)System to ensure the effective performance of duties by Executive Officers of the Company
- a. The Company has put in the Operating Officer system which assists in the performance of duties by Executive Officers in order to further strengthen the execution capability of Executive Officers and flexible and effective decision-making by a small group of Executive Officers.
 - b. The Board of Directors shall make clear divisions of duties and powers among Executive Officers and try to improve the system for Executive Officers to properly and efficiently perform their duties and regularly receive reports from Executive Officers on their business executions.
- (iv)System to Ensure that the execution of duties by employees complies with laws and regulations and the Articles of Incorporation of the Company.
- a. The Company has in place “Credo” consisting of “Management Philosophy,” “Management Objectives” and “Action Guidelines” and has made it thoroughly understood by employees. Employees are trained to comply with it and work along with it.
 - b. The Company has in place internal rules such as “Rules for Division of Duties” and “Rules for Administrative Authority” thereby clarifying the responsibility and authority of employees and improving the system for proper execution of business.

- c. The Board of Directors approves a compliance program for each fiscal year and makes efforts to grasp the operational status of the program.
- d. The Company has in place internal rules, a manual and a guidebook based on laws and regulations and organizes internal training sessions on them appropriately, thereby making them known thoroughly to officers and employees.
- e. The Company has in place the Internal Audit Department to carry out an internal audit, thereby securing the effectiveness and efficiency of the internal governance.
- f.

<3>System to ensure business execution by the business group consisting of the Company and its subsidiaries.

- (i) System to report to the Company on execution of duties by directors and operating officers of subsidiaries.
 - a. Subsidiaries are obliged to report to the Company on material matters inside the subsidiaries in compliance with “Rules for Management of Affiliated Companies.”
 - b. The Company organizes “Meeting of Affiliated Companies’ Presidents,” thereby sharing information between and among the Company and subsidiaries.
- (ii) Rules and other system concerning the control of risk of loss at subsidiaries. The “Rules of Control of Risk” of the Company contains rules for risk control system for subsidiaries, thereby improving risk control system across the group.
- (iii) System to ensure that the execution of duties by directors of subsidiaries is efficiently carried out.
 - a. The Company has clarified the division of duties and authority of subsidiaries’ directors, thereby improving the system for their proper and efficient execution of business.
 - b. The Company has introduced the operating officer system to subsidiaries to further strengthen the business execution capability and to ensure flexible decision-making by a smaller group of directors and their efficient execution of business.
 - c. The Board of Directors of the Company shall receive the periodical report on business operation from the directors of the subsidiaries.
- (iv) System to ensure that the execution of duties by Directors, officers and employees of the subsidiaries comply with applicable laws and regulations and the Articles of Incorporation of the Company.
 - a. The subsidiaries have in place “Credo” consisting of “Management Philosophy,” “Management Objectives” and “Action Guideline” and have made it thoroughly understood by Directors, officers and employees. Directors, officers and employees are trained to comply with it and work along with it.
 - b. The subsidiaries have in place internal rules such as “Rules for Divisions of Duties” and “Rules of Administrative Duties,” thereby clarifying the responsibility and authority of employees and improving the system for their proper execution of duties.
- (v) Other systems to ensure the appropriateness of operations by group companies.
 - a. The Company has in place the internal control committee which deliberates on internal governance.
 - b. The Company has in place the whistleblowing system to prevent violations of laws and regulations relating to business operations of the Company and its subsidiaries and also make possible early detections of such violations.

<4>System to ensure reliability of financial reporting by the Company and subsidiaries.

In order to properly comply with internal governance reporting system based on Financial Instruments and Exchange Law, the Company and subsidiaries have in place an internal governance system relating to financial statements which is continuously reviewed, corrected as is needed and properly handled to ensure the reliability of financial reporting.

<5>Basic view and condition of status toward elimination of anti-social forces

- (i)The Company and subsidiaries shall not trade with, and deal with resolutely, anti-social forces which threaten order and safety of civic society.
- (ii)In order to prevent damages caused by anti-social forces, the Company and subsidiaries shall formulate and publish “Basic Policy for Blocking of Relationship with Anti-social forces.”
- (iii)The Company and subsidiaries shall appoint an unfair request prevention officer at each branch, hold internal training and enlighten directors, officers and employees on the subject.
- (iv)The Company shall maintain liaison with external organs, such as the police, Center for Elimination of Violence, Center for Assistance for Securities Safety and lawyers to further eliminate relations with anti-social forces.

2.System to ensure the appropriateness of business execution and outline on the operational status of the system.

<1> Audit Committee

The members of the Audit Committee are all outside directors. The Audit Committee room is staffed with a full-time employee. The Audit Committee performs its duty in accordance with “Rules for Audit Committee” formulated to secure its independence from Executive Officers and to ensure the effectiveness of its audit. Audit members are entitled to attend various meetings, receive relevant reports and secure budgets for information collection and are provided with resources necessary to perform their duties.

Any person who has reported to the Audit Committee any act in contravention of the Articles of Incorporation of the Company or any substantial harm to the Company shall be guarded from any unfair treatment against him, such as penalty or segregation. Labor Regulations stipulate to that effect and are made known across the Company.

<2>Executive Officers

(Information management)

The management of information (including electromagnetic record) relating to the performance of duties by Executive Officers is properly carried out in accordance with “Rules for Documents” and “Control Rules for Information Security.” With respect to cyber security, the Company takes such measures as the operation of Security Operation Center and emergency procedures check and emergency response training by the Computer Security Team.

(Risk management)

Risk-specific section and the risk management division hold a risk-management meeting monthly to discuss cooperation and countermeasures. The result of the meeting is reported to the internal governance meeting and also to the Board of Directors as is needed. To cope with countermeasure, various training programs such as for system trouble and emergency evacuation are in accordance with the Company’s BCP. With respect to measures to prevent the infection of novel coronavirus, BCP response headquarters collected and shared information within the group, issuing anti-infection measures to employees and customers following the guidelines from national and regional governments.

(Effective performance of duties)

The Company has in place the Operating Officers System to improve the efficiency of performance of duties by Executive Officers. "Rules for Operating Officers" stipulate the duty of Operating Officers to report and describe to Executive Officers, thereby securing the proper duty performance system of Operating Officers.

<Duty performance by employees in compliance with laws and regulations and the Articles of Incorporation of the Company>

The Company ensures the compliance by employees of laws and regulations through the issuance and full understanding of "Credo" and the formulation of compliance programs. In addition, through internal audit, the Company secures the effectiveness and efficiency of the internal governance.

<3> Appropriateness of business operation by business group consisting of the Company and subsidiaries.

(Reporting system)

The Company receives reports from subsidiaries on material matters in accordance with "Rules for Management of Affiliated Companies," and holds a monthly meeting of presidents of affiliated companies every month to share management information.

(Risk management of subsidiaries)

The Company has in place the system to receive reports on risk management from subsidiaries in accordance with "Rules of Risk Management."

(Ensuring of system of effective performance of duties and legal compliance by directors and officers of subsidiaries)

The Company has stipulated the segregation of duties and authority to promote effective performance of duties by directors, officers and employees. The Company also has in place the operating officer system to assist directors in performing their duties. The Board of Directors receives reports on business operations by subsidiaries on a regular basis. In addition, "Credo," widely known among employees, contributes to their legal compliance to the full.

(Other systems to ensure the appropriateness of business operations by the group companies)

The Company detects violations of laws and regulations relating to business operations at an early stage and takes proper measures to correct and recover. To prevent such violations from happening, the Company has in place the whistle-blowing system.

<4> Reliability of financial reporting by the Company and subsidiaries>

The Company makes it its fundamental policy to follow "Standards and Audit and Execution thereof of Internal Governance Relating to Financial Reporting (Corporate Accounting Board). Hence, the Company prepares an internal governance report based on the review of effectiveness by the Internal Audit Department, thereby enhancing the reliability of financial reporting.

<5> Elimination of anti-social forces by the Company and subsidiaries.

(Elimination of anti-social forces)

The Company and subsidiaries shall not trade with, and deal with resolutely, anti-social forces and have stipulated to that effect in "Rules for Blocking of Relations with Anti-social Forces" and its related manual, while training directors, officers and employees for their further understanding. The Company publish its "Basic Policy for Blocking of Relations with Anti-social Forces" on its website and storefronts. At its head office and branches, the Company appoints an unfair request prevention officer and maintains liaison with external organs, thereby enforcing relation-blocking with anti-social forces.

(Money laundering)

The Company makes it one of its major management tasks to prevent money laundering. The Company has formulated “Basic Policy for Prevention of Money Laundering and Anti-terrorism Funding,” thereby further tightening the identification and review of potential risk and customer management and legal compliance and internal control system.

VII. The System and Policy of the Company

1. Basic Policy on Control of the Company

(1) Contents of basic policy

The Company has adopted a management policy of “To remain a firm of customers’ trust and choice” and strives to become a “Name-brand boutique house in the finance and securities industry” under its motto of “To build a securities firm like no other in Japan.” The basic policy of the Company is to provide services based on a “Long Term Good Relation” with each of the Company’s customers, and by strengthening this policy, the Company believes that it is able to enhance its corporate value and, in turn, the common interests of its shareholders on a medium-to long-term basis.

Hence, the Company believes that the persons who control decisions on the Company’s financial and business policies need to be persons who understand the Company’s management philosophy and who will make it possible to ensure and enhance the Company’s corporate value and the common interests of its shareholders.

Therefore, the Company believes that persons who would make a large-scale acquisition of the shares of the Company in a manner that does not contribute to the corporate value of the Company or the common interests of its shareholders would be inappropriate to become persons who control decisions on the Company’s financial and business policies. The Company believes that it is necessary to ensure the corporate value of the Company and, in turn, the common interests of its shareholders by taking the necessary and reasonable countermeasures against such large-scale acquisitions.

(2) Measures to materialize the basic policy

<1> Effective utilization of Company’s assets, appropriate form of corporate group and other special measures to realize the basic policy

a. Measures to enhance the corporate value through a medium-term management plan.

In order to further widely solidify its business base so far built to become a “Name-Brand Boutique House in the Finance and Securities Industry, the Company formulated a new “Medium-Term Management Plan” (“3·D”) with its target date set for the end of March 31, 2026. Under the plan, the Company intends to expand its customers’ assets in custody to 3 trillion yen for the three-year period by the end of March 31, 2026.

b. Corporate governance and policy on return to shareholders.

The Company consistently aims for mobility and transparency in management decision-making, rapid business execution and tightened control on execution of duty, and considers corporate governance as one of its priority issues in management.

As early as in 2003, the Company adopted a committees-based-company system. The Company’s Board of Directors, which comprises 7 directors including 4 outside directors, makes management decisions and supervises the execution of duties by executive officers. The Audit Committee, which consists of 3 outside directors, supervises the execution of duties by directors and executive officers. The Company has in place the Internal Audit Department as a centralized control unit, which strives for improvement on internal governance.

The Company take a proactive stance with respect to shareholder return. As reported in 2 **Policy on Decision on Dividends Paid out of Retained Earnings** on this page, the Company decides on an amount of dividend per share semi-annually. <2> Measures to prevent decisions on the Company's financial and business policies from being controlled by persons deemed inappropriate under the basic policy.

When a party attempts a large-scale acquisition of the Company's shares, it will strive to collect and disclose information required to help shareholders understand such attempt properly, and take proper measure the Board of Directors are authorized to take under the Company Law, other applicable laws and the Articles of Incorporation of the Company.

(3) Judgment by Board of Directors and reason therefor as to concrete measures.

Measures mentioned in <1> and <2> of (2) above follow the basic policy on the control of the Company and conform to the corporate value of the Company and the common interests of its shareholders and do not aim to maintain the status of the members of the Board of Directors.

2.Policy on Decision on Dividends Paid out of Retained Earnings

The Company places its stress on a continuous stream of dividend payment linked to business result. In deciding on an amount of dividend payment, payout ratio is a basic measure. Additionally, DOE (namely, ratio of dividends to shareholders' equity) is taken into account for a continuous stream of dividend payment.

Specifically, the Company has adopted the payout ratio of approximately 50% and the DOE of approximately 2%, the both measures being calculated semiannually on a consolidated basis and the larger result of the calculation between the two measures being chosen.

Under the dividend policy mentioned above, an interim dividend per share paid out of the Company's retained earnings to shareholders of record as of September 30, 2024 was 17yen (calculated on the basis of the DOE measure), and a final dividend per share payable to shareholders of record as of March 31, 2025 is to be 17yen (calculated on the basis of the DOE measure), thus an annual total dividend per share being 34yen.

VIII. The Consolidated Financial Statements

Please refer to the Company's press release dated April 28, 2025, titled "Business Result for Fiscal Year to March 31, 2025" on the Company's website ([https:// ichiyoshi.co.jp/stockholder/presentation](https://ichiyoshi.co.jp/stockholder/presentation)).

(Those financial statements have already been audited by certified public accountants as of this date.)

IX. Notes to Consolidated Financial Statements

(Abbreviated English version)

[Notes to material items basic for preparation of financial statements]

1. Scope of consolidation.

Names of consolidated subsidiaries:

Number of consolidated subsidiaries: 4

Names: Ichiyoshi Research Institute, Inc.
Ichiyoshi Asset Management Co. Ltd.
Ichiyoshi Business Service Co. Ltd.
Ichiyoshi IFA Co. Ltd.

2. Matters concerning accounting policy.

- (1) Valuation standard and method for securities.
- (i) Purpose and scope of trading
The purpose of trading of the Company and its group companies is principally to assist in healthy running of market function and smooth executions of brokerage transactions on exchange floors and formation of fair market prices and smooth trading in off-floor transactions, thereby helping the Company group gain profits and reduce losses by taking advantage of price changes on the same floor or between different floors. Securities the Company group deals in include listed stocks, bonds with warrants, futures of stock price indexes, stock options, specific stock options, futures of government bonds on exchange floors, and stocks, bonds, share warrants and bond traffic with option off the floors.
- (ii) Valuation basis and method for trading securities.
Market value method is applied to trading securities and derivatives.
- (iii) Valuation basis and method for non-trading securities.
- a. Non-trading securities without market price (other than stocks) are carried at cost. Any difference between their cost and valuation is reported as a component of shareholders' equity. Cost of securities sold is determined by the moving average method.
- b. Stocks without market price:
Cost method is applied using the moving average method.
- c. Investments in partnerships regarded as securities in Article 2-2 of the Financial Instruments and Exchange Law:
The Company's attributable portion of net income of the partnerships is reflected on the consolidated statements of income at the closing dates of the partnerships specified in the related partnership contracts.
- (2) Depreciation methods for material tangible and intangible assets.
- (i) Tangible assets (other than leased assets)
For buildings:
- a. Assets acquired prior to March 31, 1998: Old form of declining balance method.
- b. Assets acquired from April 1, 1998 to March 31, 2007: Old form of straight-line method.
- c. Assets acquired on and after April 1, 2007: Straight-line method.
- For fixtures and equipment attached to buildings:
- a. Those acquired prior to March 31, 2007: Old form of declining balance method.
- b. Those acquired from April 1, 2007 to March 31, 2016: Declining balance method.
- c. Those acquired on and after April 1, 2016: Straight-line method.
- Other tangible assets:
- a. Those acquired prior to March 31, 2007: Old form of declining balance method.
- b. Those acquired after April 1, 2007: Declining balance method.
- The useful lives of buildings and fixtures and equipment:
For buildings: 3 to 50 years.
For fixtures and equipment: 3 to 20 years.
- (ii) Intangible assets (other than leased assets)
Straight-line method is applied. Softwares (used internally) are depreciated by the straight-line method based on usable period (5 years).

- (iii) Leased assets
Straight-line method based on useful life (equal to lease period).
- (3) Material allowances and reserves
 - (i) Allowance for doubtful debt
The allowance for doubtful debt is calculated based on the historical experience with bad debts plus an estimate of certain uncollectible amounts determined after an analysis of specific individual receivables.
 - (ii) Bonuses to employees
The Company follows the Japanese practice of paying bonuses to employees in June and December. “Accrued bonuses to employees” represents the resulting estimated liability at the balance sheet date.
 - (iii) Reserve for financial instruments transaction liabilities
The Company allocates an amount required under Article 46-5 of the Financial Instruments and Exchange Law and Article 175 of Cabinet Office Order on Financial Instrument Business, Etc.

3. Segment information

- (1) Segment information
(For the fiscal year ended March 31, 2025)
Since the Company and its group companies are engaged in one single segment of business defined as “investment and financial services,” the description of segment information is omitted.
- (2) Related information
(for the fiscal year ended March 31, 2025)
 - (i) Information by product and service:
Since investment and financial services defined as one single segment accounted for more than 90% of operating revenue on the consolidated income statement, the description of information by product and service is omitted.
 - (ii) Information by area:
 - a. Operating revenue
Since operating revenue derived from domestic customers accounted for more than 90% of operating revenue on the consolidated income statement, the description of operating revenue by area is omitted.
 - b. Tangible fixed assets
Since there is no tangible fixed asset outside Japan, the description of tangible fixed assets by area is omitted.
 - c. Information by main customers.
Since there is no customer who accounts for more than 10% of operating revenue, the description of main customers is omitted.
 - (iii) Information on impairment loss on tangible fixed asset by described segment:
For the fiscal year ended March 31, 2025, (from April 1, 2024 to March 31, 2025)
Since the Company and its group companies are engaged in one single segment of business defined as “investment and financial services,” the description of impairment loss on tangible fixed asset by segment is omitted.
 - (iv) Information on amortized amount or unamortized balance of goodwill by described segment:
Since the Company and its group companies are engaged in one single segment of business defined as “investment and financial services,” the description of amortized or unamortized balance of goodwill by segment is omitted.
 - (v) Information on gains from negative goodwill by described segment:

For the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

Since the Company and its group companies are engaged in one single segment of business defined as “investment and financial services,” the description of gains from negative goodwill by segment is omitted.

X. Non-consolidated Statement of Changes in Equity

(English version is omitted)

XI. Notes to Non-consolidated Financial Statements

(English version is omitted)

(End)